

**Quantification Settlement Agreement and  
Related Agreements and Documents**

**to which**

**Southern California Agencies are Signatories**

**QUANTIFICATION SETTLEMENT AGREEMENT**

**by and among**

**IMPERIAL IRRIGATION DISTRICT,**

**a California irrigation district;**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,**

**a California metropolitan water district**

**and**

**COACHELLA VALLEY WATER DISTRICT,**

**a California county water district**

**Dated October 10, 2003**



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## QUANTIFICATION SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this 10th day of October, 2003, by and among Imperial Irrigation District ("IID"), a California irrigation district, The Metropolitan Water District of Southern California ("MWD"), a California metropolitan water district, and Coachella Valley Water District ("CVWD"), a California county water district, each of which is at times referred to individually as "**Party**" and which are at times collectively referred to as "**Parties**."

### RECITALS:

A. IID is an irrigation district organized under the California Irrigation District Law, codified at §§ 20500 et seq. of the California Water Code, and delivers Colorado River water in Imperial County, California for potable and irrigation purposes.

B. MWD is a metropolitan water district organized under the California Metropolitan Water District Act, § 109-1 of the Appendix to the California Water Code, and engaged in developing, storing and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, California.

C. CVWD is a county water district organized under the California County Water District Law, codified at §§ 30000 et seq. of the California Water Code, and delivers Colorado River water in Riverside County, California for potable and irrigation purposes.

D. IID, MWD, PVID and CVWD are each contractors with the United States for delivery of Colorado River water as authorized by the Boulder Canyon Project Act (Act of December 21, 1928: 45 Stat.1057, as amended.)

E. Pursuant to those contracts, PVID, the Yuma Project (Reservation Division), IID and CVWD (collectively "the agricultural agencies") hold California's first three priorities to Colorado River water and are collectively entitled to the beneficial consumptive use as reasonably required of not to exceed 3,850,000 AFY. The fourth and fifth priorities totaling 1,212,000 AFY are held by MWD. The sixth priority of 300,000 AFY is held by IID, CVWD and PVID. The seventh priority of all remaining water available for use within California is reserved for agricultural use in the Colorado River Basin within California, which includes the lands within IID, CVWD and PVID. MWD and CVWD also have surplus water delivery contracts with the Secretary of the Interior.

F. MWD, IID and CVWD recognize that they have differences of opinion over various legal questions including the right to transfer water and the volumes of water to which the various right holders are entitled, but each Party wishes to go forward with this Agreement and associated agreements without regard to certain current or future differences, subject to the provisions of Article 4 hereof.

G. This Agreement and the Related Agreements are intended to consensually settle longstanding disputes regarding the priority, use and transfer of Colorado River water, to establish by agreement the terms for the further distribution of Colorado River water among the

Parties for up to seventy-five (75) years based upon the water budgets set forth herein, and to facilitate agreements and actions which will enhance the certainty and reliability of Colorado River water supplies available to the Parties and assist the Parties in meeting their water demands within California's apportionment of Colorado River water by identifying the terms, conditions and incentives for the conservation and distribution of Colorado River water within California.

H. IID seeks to settle disputes with CVWD and MWD and to use proceeds from the acquisition of Conserved Water by those Parties from IID to improve the reliability, efficiency and management of its Colorado River supply.

I. CVWD seeks to settle disputes with IID and MWD and to acquire Conserved Water for irrigation and potable uses to accommodate anticipated reductions in groundwater extraction.

J. MWD seeks to settle disputes with IID and CVWD and to ensure the reliability of its Colorado River supplies.

K. The Salton Sea Reclamation Act of 1998 expresses a federal interest in exploring whether the Salton Sea can be stabilized and reclaimed in the long term to preserve a healthy fish and wildlife resource habitat, yet recognizes that such stabilization and reclamation needs to accommodate the potential reduced inflows to the Salton Sea that may result from the conservation and transfer of conserved water by the IID.

L. The California State Legislature adopted and the Governor signed into law in 2003 three Acts (Stat. Chaps. 612, 611 and 654), commonly referenced as SB 317 (the "Kuehl Bill"), SB 277 (the "Ducheny Bill"), and SB 654 (the "Machado Bill") to facilitate implementation of this Agreement and the Related Agreements (as defined herein) (the Kuehl Bill, the Ducheny Bill and the Machado Bill are referenced collectively in this Agreement as the "QSA Legislation").

M. The State Water Resources Control Board, by its Order dated October 28, 2002, conditionally approved a joint petition, as amended, filed by IID and SDCWA for approval of the proposed transfer by IID of up to 200,000 AFY of Colorado River Water to SDCWA and for an acquisition of up to 100,000 AFY by CVWD or MWD and a petition filed by IID to change the point of diversion, place of use, and purpose of use under IID's Permit 7643 (as the same may be amended upon reconsideration, if any, the "SWRCB Order").

N. The Parties intend and believe that the Effective Date (defined below) of this Agreement and certain Related Agreements (as defined herein) will occur after the completion of review and adequate provision for any required mitigation under and in compliance with the California Environmental Quality Act, California Public Resources Code §§ 2100 et seq. ("CEQA").

## **ARTICLE 1 DEFINITIONS**

**1.1 Definitions.** As used in this Agreement, the following terms have the following meanings:

(1) **Approval Agreement.** The agreement between IID, MWD, CVWD and PVID dated December 19, 1989, and entitled Approval Agreement.

(2) **1998 IID/SDCWA Transfer Agreement.** The Agreement for Transfer of Conserved Water by and between IID and SDCWA dated April 29, 1998, as thereafter amended by IID and SDCWA through the Revised Fourth Amendment dated as of October 10, 2003, with such further changes thereto as IID and SDCWA may from time to time agree subject to the provisions of Section 4.8 hereof.

(3) **Acquisition Agreements.** Collectively, the 1998 IID/SDCWA Transfer Agreement, the CVWD/MWD Acquisition Agreement, the IID/MWD Acquisition Agreement, the IID/CVWD Acquisition Agreement, and the MWD/CVWD Transfer and Exchange Agreement.

(4) **AF.** Acre-foot, a measure of volume.

(5) **AFY.** Acre-feet per Calendar Year.

(6) **All-American Canal.** The canal and appurtenant works from Imperial Dam to the Imperial and Coachella Valleys authorized in Section 1 of the Boulder Canyon Project Act.

(7) **Allocation Agreement.** The Agreement dated as of the Closing Date among the Secretary and the other parties thereto, concerning the allocation of Conserved Water created as a result of the lining of the All-American Canal and the Coachella Canal, with such changes to such agreement as may be from time to time agreed upon in writing in accordance with such agreement.

(8) **Assignment (or Assign).** Any sale, gift, pledge, hypothecation, encumbrance, or other transfer of all or any portion of the rights in or arising from this Agreement to any person or entity (excluding such a transfer by operation of law), regardless of the legal form of the transaction in which the attempted transfer occurs.

(9) **BOR.** The United States Bureau of Reclamation.

(10) **Business Day.** A day that is not a Saturday, Sunday, or federal or California state legal holiday.

(11) **Calendar Year.** The twelve (12)-month period running from January 1 through December 31.

(12) **Calendar Year Quarter**. Any of the four three-month periods (i) January through March; (ii) April through June; (iii) July through September; or (iv) October through December.

(13) **CEQA**. As defined in Recital N.

(14) **Closing Date**. October 10, 2003, the date as of which all Parties Execute this Agreement and all Related Agreements dated as of the Closing Date.

(15) **Coachella Canal**. The Coachella branch of the All-American Canal leading from the All-American Canal to the CVWD service area authorized in Section 1 of the Boulder Canyon Project Act.

(16) **Colorado River Aqueduct**. The aqueduct system owned and operated by MWD and extending from Lake Havasu to Lake Mathews in Riverside County.

(17) **Conserved Water**. Water made available for acquisition under this Agreement and the Related Agreements attributable to: (i) Temporary Land Fallowing or crop rotation, if an allowed use is for irrigation, or (ii) projects or programs that enable the use of less water to accomplish the same purpose or purposes of allowed use; provided, however, that such term does not include water attributable to:

(a) the activities described in (i) or (ii) above not voluntarily undertaken; or

(b) the activities described in (i) above voluntarily undertaken in exchange for money payment or other valuable consideration received from a governmental source other than SDCWA, MWD, CVWD or the California Department of Water Resources ("DWR"); and

(c) the resulting volume of reduced water produced from (a) or (b) above cannot be used anywhere within the IID Service Area.

(18) **Consumptive Use**. The diversion of water from the main stream of the Colorado River, including water drawn from the main stream by underground pumping, net of measured and unmeasured return flows.

(19) **Conveyance Loss**. The actual loss of water to evaporation, seepage, or other similar cause resulting from any transportation of Conserved Water from Imperial Dam to the CVWD service area or to the MWD service area, as the case may be.

(20) **CVWD**. As defined in Recital C.

(21) **CVWD/MWD Acquisition Agreement**. The agreement between CVWD and MWD dated as of the Closing Date regarding the acquisition of Conserved Water, with such changes thereto as CVWD and MWD may from time to time agree subject to the provisions of Section 4.8 hereof.

(22) **CVWD/MWD Supplemental Agreement.** The agreement between CVWD and MWD dated December 19, 1989, and entitled Agreement to Supplement Approval Agreement.

(23) **Date of Non-consensual Termination of the 1998 IID/SDCWA Transfer Agreement.** The date on which the Non-consensual Termination of the 1998 IID/SDCWA Transfer Agreement becomes effective.

(24) **NEPA.** The National Environmental Policy Act.

(25) **Delegation (or Delegate).** Any sale, gift, pledge, hypothecation, encumbrance, or other transfer of all or any portion of the obligations or liabilities in or arising from this Agreement to any person or entity (excluding such a transfer by operation of law), regardless of the legal form of the transaction in which the attempted transfer occurs.

(26) **Intentionally Not Used.**

(27) **Effective Date.** The date on which the United States District Court, Southern District of California, Case No. 03cv0069w (JFS) executes the Stipulation and Order dismissing the case IID v. United States, et al..

(28) **Environmental Cost Sharing, Funding and Habitat Conservation Plan Development Agreement or ECSA.** The agreement among IID, CVWD and SDCWA dated as of the Closing Date, concerning, among other things, the sharing and payment of certain environmental review and mitigation costs pertaining to this Agreement and certain Related Agreements with such changes thereto as such parties may from time to time agree in writing.

(29) **QSA Legislation.** As defined in Recital L.

(30) **Execution or Executed.** The execution and delivery of this Agreement and the Related Agreements dated as of the Closing Date by a duly-authorized representative of a party thereto, on behalf of such party, without conditions or reservations of any kind, except as may be expressly set forth in the agreement thereby executed and delivered.

(31) **Flood Control Release.** The release of water from Lake Mead and the operation of Hoover Dam for flood control purposes pursuant to the reservoir operating criteria specified in the February 8, 1984 Field Working Agreement between the U.S. Army Corps of Engineers and the BOR, and the U.S. Army Corps of Engineers regulations contained in Volume 33 of the Code of Federal Regulations, Part 208.11.

(32) **Force Majeure.** An event, not within the control of the Parties, which materially and adversely affects the performance of their respective obligations and duties to properly construct, operate, establish, implement or maintain the means of creating or receiving deliveries of Conserved Water, including a Transfer Stoppage as defined herein.

(33) **GDPIPD Inflation Index.** For any Calendar Year Quarter after the fourth Calendar Year Quarter of 1998, the ratio of the published value for that quarter of the Gross Domestic Product Implicit Price Deflator published quarterly by the Bureau of Economic

Analysis of the United States Department of Commerce in the Survey of Current Business, divided by the value of the Gross Domestic Product Implicit Price Deflator for the fourth Calendar Year Quarter of 1998. The GDPIPD Inflation Index for future quarter "n" is calculated by the following formula:

$$\frac{\text{GDPIPD Inflation Index Quarter "n"}}{\text{GDPIPD Inflation Index Fourth Quarter 1998}}$$

(34) **IID**. As defined in Recital A.

(35) **IID Service Area**. That area of Imperial Valley described in IID's Section 5 Contract as in effect on October 15, 1999.

(36) **IID/CVWD Acquisition Agreement**. The agreement between IID and CVWD dated as of the Closing Date regarding the acquisition of Conserved Water, with such changes thereto as IID and CVWD may from time to time agree subject to the provisions of Section 4.8 hereof.

(37) **IID/MWD 1988 Agreement**. The agreement between IID and MWD dated December 22, 1988, and entitled Agreement for the Implementation of a Water Conservation Program and Use of Conserved Water.

(38) **IID/MWD Acquisition Agreement**. The agreement between IID and MWD dated as of the Closing Date regarding the acquisition of Conserved Water, with such changes thereto as IID and MWD may from time to time agree subject to the provisions of Section 4.8 hereof.

(39) **Implementation Agreement**. The Colorado River Water Delivery Agreement among the Secretary, IID, CVWD, MWD and SDCWA, dated as of the Closing Date, containing the terms of agreement with the Secretary regarding this Agreement and the Related Agreements in taking actions concerning the Colorado River, with such changes thereto as the parties thereto may from time to time agree.

(40) **Improvement District No. 1**. That area of land described in Exhibit "B" of the Contract for Construction of Capacity in Diversion Dam, Main Canal and Appurtenant Structures and for Delivery of Water between the United States and Coachella Valley County Water District dated October 15, 1934, as heretofore or hereafter modified under Section 15 of the Agreement of Compromise between Imperial Irrigation District and Coachella Valley County Water District dated February 14, 1934; provided, however, that any modification that requires IID's consent shall also require MWD's consent for purposes of this definition.

(41) **Inadvertent Overrun and Payback Policy**. The BOR program described in and contemplated under Section 6.2(4) hereof.

(42) **Inflation Index**. For any Calendar Year Quarter ending after January 1, 1999, the arithmetic average of the PPI Inflation Index and the GDPIPD Inflation Index. The Inflation Index for any future Calendar Year Quarter "n" is calculated by the following formula:



$$I_n = \frac{(\text{PPI Inflation Index} + \text{GDPIPD Inflation Index})}{2}$$

(43) **Interim Surplus Guidelines.** The federal guidelines described in Section 6.2(5) hereof.

(44) **MWD.** As defined in Recital B.

(45) **MWD/CVWD Delivery and Exchange Agreement.** The agreement between MWD and CVWD dated as of the Closing Date regarding the transfer by MWD to CVWD of thirty-five thousand (35,000) AFY of MWD's State Water Project entitlement and the exchange of such water for Colorado River water, with such changes thereto as MWD and CVWD may from time to time agree subject to the provisions of Section 4.8 hereof.

(46) **"N" Dollars.** That nominal dollar amount in a future Calendar Year Quarter "n" which, when adjusted based on the Inflation Index ("I<sub>n</sub>") is equivalent to the specified dollar amount in the Agreement measured as of the Year Z specified in the Agreement. The adjustment is calculated according to the following formula:

$$\text{"N" Dollars} = \text{Nominal Dollar Amount} = \$\text{zzz}(\text{Year Z}) \times \text{Inflation Index}_n$$

(47) **Neutral County.** Any county other than Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego or Ventura.

(48) **Non-consensual Termination of the 1998 IID/SDCWA Transfer Agreement.** The termination of the 1998 IID/SDCWA Transfer Agreement after the Effective Date,

(i) [Intentionally not used]

(ii) by reason of the termination pursuant to Section 4.1(c) of the 1988 IID/SDCWA Transfer Agreement; or

(iii) by reason of the expiration of the Initial Term without the commencement of a Renewal Term in Year 46, as defined in the 1998 IID/SDCWA Transfer Agreement, or if renewed, the expiration of the Renewal Term.

(49) **QSA.** This Agreement, the Quantification Settlement Agreement.

(50) **PPI Inflation Index.** For the last month of any Calendar Year Quarter ending after January 1, 1999, the ratio for the published value for that month of the Producer Price Index for the Materials and Components for Construction (ID #WPUSOP2200) published by the United States bureau of Labor Statistics, divided by the published value for December 1998. The PPI Inflation Index for future month "n" is calculated by the following formula for published values:

PPI month "n"  
PPI December 1998

(51) **Priority "Z"**. The contractual priority level of the right to Colorado River water by the California agencies with Section 5 Contracts, with "Z" varying between Priority 1 and Priority 7, as set forth in the provisions of Article I, Sections 1-7 of the Seven-Party Agreement of 1931, which provisions are included in each Section 5 Contract.

(52) **QSA-JPA**. The QSA Joint Powers Agreement dated as of the Closing Date among IID, CVWD, SDCWA and the State of California or the Joint Powers Authority established thereby, as the context requires.

(53) **PVID**. The Palo Verde Irrigation District, an irrigation district organized under the Palo Verde Irrigation District Act, §§ 33-1 et seq. of the Appendix to the California Water Code.

(54) **Related Agreements**. The Acquisition Agreements, the Allocation Agreement, the Implementation Agreement, the Amendments to the IID/MWD 1988 Agreement, the 1989 Approval Agreement and the CVWD/MWD Supplemental Agreement, the MWD/CVWD Delivery and Exchange Agreement, the ECSA, the QSA-JPA, the agreements listed on Exhibits A and B hereto, and any other agreements, amendments and waivers entered into or adopted by or with the written consent of all Parties in connection with this Agreement or made pursuant to Section 4.8 hereof. The Parties recognize and agree that the performance under, or the effectiveness of, each of the agreements listed on Exhibit B, even though Executed as of the Closing Date, is or may be contingent on the receipt of various permits, approvals and consents, as specified in those agreements.

(55) **SDCWA**. The San Diego County Water Authority, a California county water authority incorporated under the California County Water Authority Act, §§ 45-1 et seq. of the Appendix to the California Water Code.

(56) **SDCWA/MWD Exchange Agreement**. The Agreement for the Exchange of Water dated November 10, 1998 between SDCWA and MWD, as amended and restated in its entirety by the Agreement between SDCWA and MWD dated as of the Closing Date.

(57) **Secretary**. The Secretary of the United States Department of the Interior, and duly appointed successors, representatives and others with properly delegated authority.

(58) **Section 5 Contract**. A contract between the Secretary and a California agency for permanent service for the delivery of Colorado River water, established pursuant to Section 5 of the Boulder Canyon Project Act, 43 U.S.C. § 617d.

(59) **SWRCB**. The California State Water Resources Control Board.

(60) **SWRCB Order**. As defined in Recital M.

(61) **Temporary Land Fallowing.** The creation of Conserved Water from the retirement of land from crop production activities for a period starting no earlier than the Effective Date and ending on or prior to the Termination Date.

(62) **Termination Date.** The Termination Date is the earlier of (i) midnight on October 12, 2003, if the Effective Date has not by then occurred; (ii) the Date of Non-consensual Termination of the 1998 IID/SDCWA Transfer Agreement; (iii) the end of the twelfth (12<sup>th</sup>) calendar month following the date of a Transfer Stoppage, unless such Transfer Stoppage has been overturned or modified or remedied to the satisfaction of each affected Party, or unless the Parties, SDCWA and the Secretary have agreed to continue this Agreement and the Related Agreements notwithstanding the continuation of such Transfer Stoppage; or (iv) December 31, 2077.

(63) **Transfer Stoppage.** A transfer or acquisition of Conserved Water pursuant to this Agreement that is ordered to stop by virtue of an injunction or other order issued by a court or administrative agency acting within the scope of its jurisdiction.

(64) **"Year \_\_\_\_\_" (e.g., Year 25.).** One in the series of Calendar Years occurring after the Effective Date; provided, however, that Year 1 shall commence on the Effective Date and end on December 31, 2003.

**1.2 Rules of Construction and Word Usage.** Unless the context clearly requires otherwise:

(1) The Recitals to this Agreement are a part of this Agreement to the same extent as the Articles;

(2) The Exhibits and Attachments attached to this Agreement are incorporated by reference and are to be considered part of the terms of this Agreement;

(3) The plural and singular numbers include the other;

(4) The masculine, feminine, and neuter genders include the others;

(5) "Shall," "will," "must," and "agrees" are each mandatory;

(6) "May" is permissive;

(7) "May not" is prohibitory;

(8) "Or" is not exclusive;

(9) "Includes" and "including" are not limiting;

(10) "Between" includes the ends of the identified range;

(11) "Person" includes any natural person or legal entity; and

(12) "Transfer," when used herein or in the Related Agreements in relation to a transaction involving Conserved Water, does not mean or imply that the Parties agree as to whether any such transaction is properly characterized as a transfer under California law or whether such transaction is subject to SWRCB jurisdiction.

## **ARTICLE 2 WATER BUDGETS**

### **2.1 IID Water Budget.**

(1) **Priority 3a Cap.** IID's Consumptive Use entitlement under its share of Priority 3a is capped by this Agreement at three million one hundred thousand (3,100,000) AFY at Imperial Dam, **less** (i) the Conserved Water made available by IID for use by others hereunder, and (ii) the water made available under Paragraph (2) of this Section 2.1 to the extent charged to Priority 3a, and **plus** any Conserved Water made available to IID from the lining of the All-American and Coachella Canals, as provided under and subject to the terms and conditions of the Allocation Agreement. This cap shall be subject to adjustment in any Year to the extent permitted under or required by the Inadvertent Overrun and Payback Policy. Any Colorado River water permitted to be acquired under Section 4.3 hereof shall be in addition to this cap.

(2) **Miscellaneous and Indian PPR's.** IID shall forbear Consumptive Use when necessary, in conjunction with the Inadvertent Overrun and Payback Policy, to permit the Secretary to make available for Consumptive Use by holders of miscellaneous and Indian present perfected Colorado River water rights the aggregate amount necessary to satisfy individually their respective present perfected rights to Colorado River water, up to a maximum of eleven thousand five hundred (11,500) AFY. IID's obligation to forbear use of water for this purpose may be charged, at IID's option, to its rights under Priorities 6a, 7 or 3a as available. In the event it is not necessary in any Year for IID and CVWD to collectively forbear a total of fourteen thousand five hundred (14,500) AF for this purpose, then a credit equal to the difference between 14,500 AF and the amount of actual necessary forbearance responsibility shall be shared seventy-five percent (75%) to IID and twenty-five percent (25%) to CVWD.

(3) **IID Priority 6a Forbearance and Priority 7 Use.** IID agrees to forbear Consumptive Use under Priority 6a sufficient to enable IID, CVWD and MWD to Consumptively Use Priority 6a water as it may be available in accordance with the following order of use subject to any rights that PVID might have, except as may otherwise be required under the Interim Surplus Guidelines: first, thirty-eight thousand (38,000) AFY to MWD; second, sixty-three thousand (63,000) AFY to IID; third, one hundred nineteen thousand (119,000) AFY to CVWD; fourth, any balance of Priority 6a and 7 water available in accordance with the priorities identified in IID, CVWD and MWD Section 5 Contracts, as in effect on October 15, 1999. Should IID, CVWD or MWD not Consumptively Use all or any of the Priority 6a or 7 water available to it as provided above, any unused volume shall be available in the above order to meet the next lower order Consumptive Use needs.

(4) **Acquisition Mechanism and Location.** IID performs its obligations to make Conserved Water available for CVWD and MWD acquisition as contemplated by this

Agreement by reducing its Consumptive Use at Imperial Dam by an amount equal to the Conserved Water to be acquired. When IID acts in that manner, IID has satisfied its obligation to make Conserved Water available for acquisition. CVWD and MWD each accept responsibility for any arrangements and facilities necessary to divert the Conserved Water made available to either of them and for any Conveyance Loss. CVWD and MWD have no duty to divert any or all of the Conserved Water. The payments by CVWD and MWD to IID under their respective Acquisition Agreements are for the conservation and acquisition of the Conserved Water, whether or not CVWD or MWD actually diverts that Conserved Water.

(5) **Conserved Water for CVWD.** IID shall make Conserved Water available to CVWD under and subject to the terms and conditions of the IID/CVWD Acquisition Agreement and the Implementation Agreement.

(6) **Conserved Water for SDCWA.** The terms and conditions applicable to IID's conservation and transfer of Conserved Water to SDCWA contemplated by this Agreement shall be as set forth in the 1998 IID/SDCWA Transfer Agreement.

(7) **Conserved Water for MWD.** IID shall make Conserved Water available to MWD under and subject to the terms and conditions of the IID/MWD Acquisition Agreement.

(8) **Conserved Water from Canal Lining Projects.** Conserved Water resulting from the lining of the All-American Canal and the Coachella Canal shall be made available as provided under and subject to the terms and conditions of the Allocation Agreement.

(9) **Conservation Methods.** The creation of Conserved Water by IID utilizing efficiency improvements or fallowing for acquisition, transfer or lessening environmental impacts, shall be as described in the Compromise IID/SDCWA and QSA Delivery Schedule attached hereto as Exhibit C.

## **2.2 CVWD Water Budget.**

(1) **Priority 3a Cap.** CVWD's Consumptive Use entitlement under its share of Priority 3a is capped by this Agreement at three hundred thirty thousand (330,000) AFY at Imperial Dam, **less** (i) Conserved Water made available from the lining of the Coachella Canal, as provided under and subject to the terms and conditions of the Allocation Agreement, and (ii) the water made available under paragraph (2) of this Section 2.2 to the extent charged to Priority 3a. This cap shall be subject to adjustment in any Year to the extent permitted under or required by the Inadvertent Overrun and Payback Policy and the Decree Accounting Program. Any Colorado River water acquired from any Party pursuant to a transaction contemplated by this Agreement or permitted to be acquired under Section 4.3 hereof shall be in addition to this cap.

(2) **Miscellaneous and Indian PPR's.** CVWD shall forbear Consumptive Use when necessary, in conjunction with the Inadvertent Overrun and Payback Policy, to permit the Secretary to make available for Consumptive Use by holders of miscellaneous and Indian present perfected Colorado River water rights the aggregate amount necessary to satisfy individually their respective present perfected rights to Colorado River water, up to a maximum of three thousand (3,000) AFY. CVWD's obligation to forbear use of water for this purpose may

be charged, at CVWD's option, to its rights under Priorities 6, 7 or 3 as available. In the event that it is not necessary in any Year for IID and CVWD to collectively forbear a total of fourteen thousand five hundred (14,500) AF for this purpose, then a credit equal to the difference between fourteen thousand five hundred (14,500) AF and the amount of actual necessary forbearance responsibility shall be shared seventy-five percent (75%) to IID and twenty-five percent (25%) to CVWD.

(3) **CVWD Priority 6a Forbearance and Priority 7 Use.** CVWD agrees to forbear Consumptive Use under Priority 6a sufficient to enable IID, CVWD and MWD to Consumptively Use Priority 6a water as it may be available in accordance with the following order of use, subject to any rights that PVID might have, except as may otherwise be provided under the Interim Surplus Guidelines: first, thirty-eight thousand (38,000) AFY to MWD; second, sixty-three thousand (63,000) AFY to IID; third, one hundred nineteen thousand (119,000) AFY to CVWD; fourth, any balance of Priority 6a and 7 water available in accordance with the priorities identified in the IID, CVWD and MWD Section 5 Contracts, as in effect on October 15, 1999. Should IID, CVWD or MWD not Consumptively Use all or any of the Priority 6a or 7 water available to it as provided above, any unused volume shall be available in the above order to meet the next lower order Consumptive Use needs.

(4) **Acquisition From IID.** The terms and conditions applicable to the acquisition of Conserved Water by CVWD from IID, as contemplated by this Agreement, shall be as set forth in the IID/CVWD Acquisition Agreement.

(5) **Acquisition From MWD.** The terms and conditions of the acquisition of water and entitlement to water by CVWD from MWD, as contemplated by this Agreement, shall be as set forth in the CVWD/MWD Acquisition Agreement and the MWD/CVWD Transfer and Exchange Agreement.

### **2.3 MWD Water Budget.**

(1) **MWD Priority 4 and 5 Cap.** MWD's Consumptive Use entitlements under Priorities 4 and 5 are capped by this Agreement at five hundred fifty thousand (550,000) AFY, and six hundred sixty-two thousand (662,000) AF, respectively, at Lake Havasu, less the water made available under paragraph (2) of this Section 2.3 to the extent charged to Priority 4 or 5. This cap shall be subject to adjustment in any Year to the extent permitted under or required by the Inadvertent Overrun and Payback Policy. Water made available by MWD to CVWD in any Year pursuant to this Agreement shall be charged at MWD's option to any water available to MWD in that Year. Any Colorado River water acquired from any Party pursuant to a transaction contemplated by this Agreement or permitted to be acquired under Section 4.3 hereof shall be in addition to this cap.

(2) **Miscellaneous and Indian PPR's.** MWD shall forbear Consumptive Use when necessary, in conjunction with the Inadvertent Overrun and Payback Policy, to permit the Secretary to make available for Consumptive Use by holders of miscellaneous and Indian present perfected Colorado River water rights the aggregate amount necessary to satisfy individually their respective present perfected rights to Colorado River water in excess of fourteen thousand

five hundred (14,500) AFY. MWD's obligation to forbear Consumptive Use for this purpose shall be charged at MWD's option to any Priority pursuant to which MWD has water available.

(3) **[Intentionally Not Used]**

(4) **Priorities 1 & 2 Consumptive Use Over and Under 420,000 AF.** MWD shall be responsible when necessary, in conjunction with the Inadvertent Overrun and Payback Policy, for repayment of any overrun as a result of aggregate use by Priorities 1, 2 and 3b in excess of four hundred twenty thousand (420,000) AFY; and to the extent that Priorities 1, 2 and 3b use is less than four hundred twenty thousand (420,000) AFY, MWD shall have the exclusive right to Consumptively Use such unused water.

(5) **Acquisitions From IID.** The terms and conditions applicable to the acquisition of Conserved Water by MWD from IID, as contemplated by this Agreement, shall be as set forth in the IID/MWD Acquisition Agreement and the Allocation Agreement.

(6) **Acquisition From CVWD.** The terms and conditions of the acquisition of water by MWD from CVWD, as contemplated by this Agreement, shall be as set forth in the MWD/CVWD Transfer and Exchange Agreement and the Allocation Agreement.

(7) **Acquisition by CVWD.** The terms and conditions of the acquisition of water and entitlement to water by CVWD from MWD, as contemplated by this Agreement, shall be as set forth in the CVWD/MWD Acquisition Agreement and the MWD/CVWD Transfer and Exchange Agreement.

(8) **Contractual Commitment to SDCWA.** The terms and conditions of the delivery of certain Conserved Water to SDCWA by MWD shall be as set forth in the SDCWA/MWD Exchange Agreement.

### **ARTICLE 3**

#### **TERM/CLOSING/EFFECTIVE DATE**

**3.1 Term.** This Agreement shall commence on the Effective Date and shall terminate on the Termination Date.

**3.2 Closing Date.** The Execution of this Agreement and the Execution of each of the Related Agreements that is dated as of the Closing Date shall be deemed to have been Executed simultaneously at 12:00 PM PST on the Closing Date. No Party shall take a position in any administrative, judicial or legislative forum contrary to or inconsistent with the foregoing.

**3.3 Effective Date.** Notwithstanding any other provision of this Agreement, the obligations of the Parties under Articles 2 and 4, and under the related provisions of the Acquisition Agreements and the Implementation Agreement contemplated by this Agreement, shall be contingent upon the occurrence of, and shall not become effective until, the Effective Date.

### **3.4 Early Termination.**

(1) In the event of Non-consensual Termination of the 1998 IID/SDCWA Transfer Agreement:

(i) **Advance Notice.** IID shall, to the extent reasonably possible, give the other Parties, SWRCB, BOR and the Secretary at least twelve (12) months advance written notice of such event together with a written explanation of the underlying factors and calculations;

(ii) **[Intentionally Not Used]**

(iii) **[Intentionally Not Used]**

(2) In the event of a Transfer Stoppage, the Parties shall proceed in the manner required under Section 6.1 hereof and shall seek to overturn, modify or otherwise remedy such Transfer Stoppage to the satisfaction of each Party materially affected thereby. If the Parties are unable to do so, they shall in good faith negotiate among themselves and with the SDCWA and the Secretary to determine whether to continue this Agreement and the Related Agreements that are coterminous with this Agreement notwithstanding the Transfer Stoppage and, if so, with what modifications if any.

(3) **[Intentionally Not Used]**

(4) **Effect of Termination.** As of the Termination Date, neither the terms of this Agreement nor the conduct of the Parties in performance of this Agreement shall be construed to enhance or diminish the rights of any of the Parties as such rights existed at the Closing Date, including any enhancement or diminishment by reason of an alleged application of common law principles of reliance, estoppel, intervening public use, domestic or municipal priority, shortage or emergency, or equitable apportionment. Notwithstanding any provision to the contrary in this Agreement, or in the Implementation Agreement, all water budget components contemplated under Article 2 of this Agreement and all state and federal approvals, permits and water contract amendments issued or adopted in connection therewith, other than environmental related permits with continuing mitigation obligations, shall thereupon terminate by consent of each of the Parties, which consents are hereby given, and which consents shall be reaffirmed in writing at the request of any Party, and the rights of the Parties shall revert to the status quo as though the Parties had never entered into, or intended to enter into, this Agreement, the Acquisition Agreements, or the Implementation Agreement. Notwithstanding anything to the contrary in this Agreement, the parties stipulate and agree that the provisions of Section 4.1 of this Agreement, the provisions of Section 16.2 of the IID/MWD Acquisition Agreement, the provisions of Section 14.3(2) of the IID/CVWD Acquisition Agreement, and the provisions of Sections 14.3 and 14.4 of the 1998 IID/SDCWA Transfer Agreement will remain in force and effect.



## **ARTICLE 4 ADDITIONAL SETTLEMENT PROVISIONS**

### **4.1 General Settlement Provisions; No Admission of Settlement Terms; Reservation of Rights and Claims.**

The Parties do not agree on the nature or scope of their relative rights to the delivery, use or transfer of Colorado River water. This Agreement is a consensual, comprehensive settlement arrangement acceptable to all Parties. It does not reflect any Party's rights or claims singularly or collectively, nor does it reflect the anticipated, predicted or possible outcome to any of the many disputes between the Parties if they were to be resolved without consensus. The Parties acknowledge that this Agreement is, in fact, a settlement and thus may not be used for any purpose in any judicial, legislative or administrative proceeding, and may not be used in any future attempt to reallocate water or water rights or to reorder the priorities of the Parties upon the termination of this Agreement. Subject to the provisions of this Agreement which compromise such matters, the legal rights, duties, obligations, powers and claims of each Party are preserved and may be acted upon by any Party during the term of this Agreement.

### **4.2 All-American Canal and Coachella Canal Lining Projects Conserved Water.**

(1) The Parties agree that sixty seven thousand seven hundred (67,700) AFY and twenty six thousand (26,000) AFY of Conserved Water from the completed All-American Canal Lining Project and the Coachella Canal Lining Project, respectively, shall be distributed subject to the terms of the Allocation Agreement.

(2) **[Intentionally Not Used]**

(3) **[Intentionally Not Used]**

(4) **[Intentionally Not Used]**

(5) **[Intentionally Not Used]**

**4.3 Other Acquisitions of Colorado River Water.** During the period from the Effective Date to the Termination Date, the Parties may acquire Colorado River water from any person, without objection by any of the Parties, so long as any such acquisition is not inconsistent with any other term of this Agreement or the Related Agreements and does not materially reduce the water available to the Parties.

**4.4 [Intentionally Not Used]**

### **4.5 CVWD Utilization of Water.**

(1) Other than as provided in Section 3.6 of the IID/CVWD Acquisition Agreement, CVWD shall not utilize its water budget to facilitate any water use outside of Improvement District No. 1 other than for direct and in lieu groundwater recharge, and shall use its best efforts to utilize its water budget to address the groundwater overdraft problem in Improvement District No. 1 and to implement a program that is designed to achieve a safe yield

within Improvement District No. 1 by the end of CVWD's water budget ramp-up in approximately Year 30.

(2) IID and MWD shall not object to the utilization of Colorado River water in the Coachella Valley, but outside Improvement District No. 1, in order to maximize the effectiveness of Improvement District No. 1's water use and recharge programs.

(3) CVWD shall make no claim as a matter of right to any additional Colorado River water in Priorities 3 or 6.

(4) This Agreement does not affect CVWD's rights under its surplus contract with the Secretary dated March 6, 1987, including its right to use water delivered under that contract anywhere within its boundaries.

**4.6 CVWD Groundwater Storage of IID Water.** Subject to the physical availability of storage in the Coachella Valley after accounting for the storage to be utilized by CVWD for the MWD/CVWD conjunctive use program, if implemented, CVWD will provide groundwater storage for IID's use in accordance with the IID/CVWD Acquisition Agreement.

**4.7 Shortage and Sharing of Reduced Water Availability.** If for any reason there is less than 3.85 million (3,850,000) AF available to Priorities 1, 2 and 3 in any Year, there will be no termination of this Agreement. Shortages will be shared pursuant to the particular provisions of the Acquisition Agreements and the Allocation Agreement.

**4.8 Amendments to Acquisition Agreements.** The Parties to each Acquisition Agreement shall have the right to amend that Agreement from time to time without the consent of any other Party hereto (a "non-signatory Party"); provided, however, that prompt notice and a copy of any such amendment is provided to each non-signatory Party, the Secretary, BOR and, with respect to the transfers to SDCWA contemplated under the 1998 IID/SDCWA Transfer Agreement and acquisitions from IID by CVWD under the IID/CVWD Acquisition Agreement, SWRCB; and provided, further, that no such amendment shall be given any force or effect, or be binding on any Party, if:

(1) such amendment would affect in any respect the rights of any non-signatory Party to Colorado River water; or

(2) such amendment could reasonably have a significant adverse effect on the interests of a non-signatory Party; unless or until

(3) in the circumstances of either (1) or (2), the written consent to such amendment shall have been obtained from each non-signatory Party, which consent shall not be unreasonably withheld and, if determined to have been unreasonably withheld, shall be effective retroactively to the date originally requested.

**4.9 MWD Mitigation of Certain Effects of Interim Surplus Guidelines.** In the event that Priority 3a Consumptive Use by IID and CVWD, consistent with and as adjusted by this Agreement, is reduced as a direct result of the application and operation of the Interim Surplus Guidelines, MWD will assume responsibility for any required payback of any water use

overruns by IID and CVWD resulting from such reduction. MWD's aggregate payback obligation under this Section 4.9 shall be limited to an amount equal to the aggregate amount of surplus water allocated to and Consumptively Used by MWD under Full Domestic Surplus and/or Partial Domestic Surplus conditions, as determined by the Secretary under the Interim Surplus Guidelines.

**4.10 [Intentionally Not Used]**

**4.11 MWD Interim Surplus Guidelines Agreements With Arizona and Southern Nevada Water Authority.** In connection with the implementation of the Interim Surplus Guidelines, MWD and the State of Arizona may enter into an Interim Surplus Guidelines Agreement and MWD and the Southern Nevada Water Authority have entered into an Interim Surplus Guidelines Agreement. Pursuant to such agreements MWD may be required to forbear delivery of a determinable quantity of Colorado River water in certain circumstances involving the Secretary's determination of a shortage condition in accordance with such Guidelines. IID and CVWD hereby agree to forbear exercise of any right or claim under Priorities 6 and 7, including any right or claim under this Agreement or a Related Agreement, to such water to the extent of any such required forbearance by MWD.

**4.12 [Intentionally Not Used]**

**4.13 [Intentionally Not Used]**

**4.14 [Intentionally Not Used]**

**4.15 [Intentionally Not Used]**

**4.16 Public Awareness Program.** The Parties will each implement and maintain a water conservation public awareness program.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

**5.1 IID's Representations and Warranties.**

(1) **Authority.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement and compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement: (i) IID has all legal power and authority to enter into this Agreement and to perform its obligations hereunder on the terms set forth in this Agreement and (ii) the execution and delivery hereof by IID and the performance by IID of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which IID is a party or by which IID is bound.

(2) **Signatories.** The persons executing this Agreement on behalf of IID have the full power and authority to bind IID to the terms of this Agreement. In addition, the persons signing this Agreement on IID's behalf warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on IID's behalf

personally warrant and represent that they have reviewed this Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement, compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement, and satisfaction or waiver of the conditions set forth in Section 6.2 of this Agreement, this Agreement constitutes a valid and binding agreement of IID, enforceable against IID in accordance with its terms.

(4) **No Pending or Threatened Disputes.** Except as disclosed in Appendix 5.1, attached to this Agreement, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to IID's knowledge, threatened against or affecting IID relating to the performance contemplated by this Agreement.

(5) **Notice of Developments.** IID agrees to give prompt notice to the Parties if IID discovers that any of its own representations and warranties were untrue when made.

## **5.2 CVWD's Representations and Warranties.**

(1) **Authority.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement and compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement: (i) CVWD has all legal power and authority to enter into this Agreement and to perform its obligations hereunder on the terms set forth in this Agreement and (ii) the execution and delivery hereof by CVWD and the performance by CVWD of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which CVWD is a party or by which CVWD is bound.

(2) **Signatories.** The persons executing this Agreement on behalf of CVWD have the full power and authority to bind CVWD to the terms of this Agreement. In addition, the persons signing this Agreement on CVWD's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on CVWD's behalf personally warrant and represent that they have reviewed this Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement, compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement, and satisfaction or waiver of the conditions set forth in Section 6.2 of this Agreement, this Agreement constitutes a valid and binding agreement of CVWD, enforceable against CVWD in accordance with its terms.

(4) **No Pending or Threatened Disputes.** Except as disclosed in Appendix 5.2, attached to this Agreement, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to CVWD's knowledge, threatened against or affecting CVWD relating to the performance contemplated by this Agreement.

(5) **Notice of Developments.** CVWD agrees to give prompt notice to the Parties if CVWD discovers that any of its own representations and warranties were untrue when made.

### **5.3 MWD's Representations and Warranties.**

(1) **Authority.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement and compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement: (i) MWD has all legal power and authority to enter into this Agreement and to perform its obligations hereunder on the terms set forth in this Agreement and (ii) the execution and delivery hereof by MWD and the performance by MWD of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which MWD is a party or by which MWD is bound.

(2) **Signatories.** The persons executing this Agreement on behalf of MWD have the full power and authority to bind MWD to the terms of this Agreement. In addition, the persons signing this Agreement on MWD's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on MWD's behalf personally warrant and represent that they have reviewed this Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to the determinations and approvals contemplated by Section 6.2(2) of this Agreement, compliance with environmental laws as contemplated by Section 6.2(2) of this Agreement, and satisfaction or waiver of the conditions set forth in Section 6.2 of this Agreement, this Agreement constitutes a valid and binding agreement of MWD, enforceable against MWD in accordance with its terms.

(4) **No Pending or Threatened Disputes.** Except as disclosed in Appendix 5.3, attached to this Agreement, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to MWD's knowledge, threatened against or affecting MWD relating to the performance contemplated by this Agreement.

(5) **Notice of Developments.** MWD agrees to give prompt notice to the Parties if MWD discovers that any of its own representations and warranties were untrue when made.

## **ARTICLE 6 SPECIAL CONSIDERATIONS**

**6.1 QSA Premises.** This Agreement and the Related Agreements that are Executed on the Closing Date are premised on, among other things, the special considerations set forth in Section 6.2. IID, MWD and CVWD shall each proceed cooperatively, in good faith, and with reasonable diligence and effort to secure, protect and defend each of such special considerations for which and to the extent it has responsibility under this Agreement or a Related Agreement.

## **6.2 Special Considerations.**

### **(1) [Intentionally Not Used]**

### **(2) Environmental Matters.**

(i) **Environmental Review.** All environmental review and assessment required under CEQA, NEPA and applicable federal, state and agency regulations implementing the same have been completed, to the extent required to authorize implementation of the activities contemplated by this Agreement. An environmental review process will be deemed "completed" only when all required Notices of Determination pursuant to CEQA have been duly filed; all required Records of Decision pursuant to NEPA have been duly issued; all administrative appeal periods have expired; all statutes of limitation for filing an action challenging any environmental process pursuant to CEQA have expired; as of the deadline for satisfying these conditions, no action challenging any environmental process has been filed, or, if filed, has been resolved by a final judgment which upholds or sustains the environmental review process and allows implementation of the covered activities and all judicial appeal periods have expired. The environmental review processes described above shall include, but are not limited to:

(a) The federal EIS in connection with the Implementation Agreement, the Inadvertent Overrun and Payback Policy and this Agreement, to be prepared by BOR as the lead agency;

(b) The EIS relating to the Interim Surplus Guidelines, prepared by BOR as the lead agency;

(c) The program EIR relating to this Agreement, to be prepared by IID, MWD, CVWD and SDCWA as co-lead agencies;

(d) The joint EIR/EIS relating to the conservation and transfer by IID of up to three hundred thousand (300,000) AFY and IID's Priority 3 cap, to be prepared by IID as the lead agency under CEQA and BOR as the lead agency under NEPA;

(e) The joint EIR/EIS relating to the lining of the Coachella Canal, to be prepared by CVWD as the lead agency under CEQA, and by BOR as the lead agency under NEPA.

(f) Final approval by all necessary federal and state agencies of a mitigation plan, a cultural resources plan and any other documents required to allow implementation of the All-American Canal Lining project pursuant to a certified EIR/EIS for that project;

(g) Final approval by all necessary federal and state agencies of a mitigation plan, a cultural resource plan and any other documents required to allow implementation of the Coachella Canal Lining project pursuant to a certified EIR/EIS for that project; and

(h) The program EIR for the CVWD Groundwater Recharge project, to be prepared by CVWD as the lead agency.

(ii) **Resource Approvals.** All permits, approvals, authorizations, opinions, assessments and agreements pursuant to the federal Endangered Species Act ("ESA"), the California Endangered Species Act ("CESA") and any other federal or state environmental resource protection laws, and applicable federal or state regulations implementing the same (collectively "Resource Approvals"), have been finalized, to the extent required by such statutes or regulations or deemed necessary or appropriate by the U.S. Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), BOR or IID to document compliance therewith and to authorize implementation of the 1998 IID/SDCWA Transfer Agreement, the conservation by IID of up to three hundred three thousand (303,000) AFY and IID's Priority 3a cap. A Resource Approval shall be deemed "final" only when all required environmental review has been completed as described in Section 6.2(2)(a) above; final action has been taken and all required documents have been approved and executed by the resource agencies and the applicant; all required biological assessments and biological opinions have been issued; all administrative appeal periods have expired; as of the deadline for satisfying these conditions, and no action challenging any Resource Approval has resulted in a Transfer Stoppage. The Resource Approvals described above shall include, but are not limited to, all required approvals by federal and state agencies of:

(a) The change in the point of diversion on the Colorado River and transfer of up to three hundred three thousand (303,000) AFY of water to be conserved by IID.

(b) Incidental take authorization pursuant to ESA and CESA, to the extent required to implement the change in the point of diversion on the Colorado River, the water transfers and acquisitions described above, the Interim Surplus Criteria, the Inadvertent Overrun and Payback Policy, the All-American Canal Lining project, and the Coachella Canal Lining project. The effective date for the CESA permit shall be January 1, 2004, provided however that the CDFG acknowledges in writing by the Closing Date that activities to occur in Year 1 pursuant to this Agreement and the Related Agreements will not result in any take of any species requiring a "take permit."

(iii) **Party Approvals of Environmental Requirements.** Each Party, by action of its governing board, has approved and accepted the terms, conditions and mitigation measures of the environmental review processes described in Section 6.2(2)(i) above and the Resource Approvals described in Section 6.2(2)(ii) above (collectively, "Environmental Requirements"), to the extent such Party is responsible, in whole or in part, for compliance, performance or payment of the costs of such Environmental Requirements.

(3) **Transfer Stoppage.** The absence of any Transfer Stoppage during the term of this Agreement.

(4) **Inadvertent Overrun and Payback Policy.** The adoption and continuation by BOR of standards and procedures for an Inadvertent Overrun and Payback

Policy that is in all material respects in conformity with the current Program, subject to modification only as and to the extent contemplated under the Implementation Agreement.

(5) **Reinstatement of Interim Surplus Guidelines.** The reinstatement and continuation of the terms of the Interim Surplus Guidelines, originally implemented pursuant to the Secretary's Record of Decision dated January 16, 2001, by the Closing Date.

(6) **Intentionally Not Used**

(7) **Intentionally Not Used**

(8) **Intentionally Not Used**

(9) **Intentionally Not Used**

(10) **Intentionally Not Used**

(11) **SWRCB Approval.** The adoption and continuation in full force and effect of the SWRCB Order, as the same may be amended from time to time in a manner and to the extent acceptable to the Parties.

(12) **Intentionally Not Used**

(13) **QSA Legislation.** The continuation of the QSA Legislation in full force and effect without material modification.

(14) **Intentionally Not Used**

(15) **Litigation.** Any pending or threatened litigation, including disputes disclosed in Appendices 5.1, 5.2 or 5.3 hereof, that would, if finally determined in favor of any complaining person or person, materially and adversely affect (a) the ability of any Party to perform under this Agreement or the Related Agreements (b) the continuing efficacy of the Inadvertent Overrun and Payback Policy, the Interim Surplus Guidelines, or the SWRCB's final order of approval referenced in Section 6.2 (11) hereof, or (c) the ability of the Secretary (or the Secretary's delegate) to perform under the Implementation Agreement, shall become the subject of one or more joint defense agreements among two or more of the Parties and, where applicable SDCWA, reasonably allocating responsibilities to a Party or Parties or SDCWA for the defense of (or intervention in) such litigation and, where appropriate, for the potential consequences of any materially adverse final determination of such litigation or otherwise specifying the consequences of any such determination.

(16) **Failure of Consideration.** The Parties hereby stipulate and agree that a material failure of any special considerations set forth in Section 6.2 shall constitute an irreparable injury to each Party and shall also constitute irreparable harm to the public interest, whether or not there has been a related breach of Section 6.1 by any Party.



**6.3 Waiver of Compliance.** No Party shall waive compliance with CEQA, NEPA or other requirements under applicable laws.

**ARTICLE 7**  
**[INTENTIONALLY NOT USED]**

**7.1 [Intentionally Not Used]**

- (1) **[Intentionally Not Used]**

**ARTICLE 8**  
**[INTENTIONALLY NOT USED]**

**8.1 [Intentionally Not Used]**

- (1) **[Intentionally Not Used]**

- (2) **[Intentionally Not Used]**

**ARTICLE 9**  
**[INTENTIONALLY NOT USED]**

**9.1 [Intentionally Not Used]**

- (1) **[Intentionally Not Used]**

- (2) **[Intentionally Not Used]**

- (3) **[Intentionally Not Used]**

**ARTICLE 10**  
**REMEDIES**

**10.1 Specific Performance.** Each Party recognizes that the rights and obligations of the Parties under this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party does not perform in accordance with this Agreement, the other Parties will likely suffer harm curable only by the imposition of an injunction requiring specific performance. Thus, each of the Parties agrees that any breach of this Agreement by any Party shall entitle the non-breaching Parties, or any one of them, to injunctive relief, including but not limited to a decree of specific performance, in addition to any other remedies at law or in equity that may be available in the circumstances.

**10.2 Cumulative Rights and Remedies.** The Parties do not intend that any right or remedy given to a Party on the breach of any provision under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delays in exercising any such right or remedy, the non-breaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power or privilege

precludes any other or further exercise of a right, power or privilege granted by this Agreement or otherwise.

**10.3 Action or Proceeding between the Parties.** Each Party acknowledges that it is a "local agency" within the meaning of § 394(c) of the California Code of Civil Procedure ("CCP"). Each Party further acknowledges that any action or proceeding commenced by one Party against another Party would, under § 394(a) of the CCP, as a matter of law be subject to:

- (1) being transferred to a Neutral County, or instead
- (2) having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.
- (3) In the event an action is filed by any Party against another Party or Parties to enforce this Agreement and to obtain damages for its alleged breach, each Party hereby:
- (4) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action;
  - (i) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;
  - (ii) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and
  - (iii) Acknowledges that this Agreement, and in particular this Section 10.3, may be submitted to the court as part of the moving papers.
- (5) Nothing in this Section 10.3, however, shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County, or shall operate to waive any other rights.

## **ARTICLE 11 GENERAL PROVISIONS**

**11.1 Notices.** All notices, requests, demands, or other communications under this Agreement must be in writing, and sent to the addresses of each Party set forth below. Notice will be sufficiently given for all purposes as follows:

*Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.

*Certified Mail.* When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.

*Overnight Delivery.* When delivered by an overnight delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

*Facsimile Transmission.* Notice is effective on receipt, provided that the facsimile machine provides the sender a notice that indicates the transmission was successful, and that a copy is mailed by first-class mail on the facsimile transmission date.

Addresses for purpose of giving notice are as follows:

**To IID:** Imperial Irrigation District  
Attn.: General Manager

*Address for U.S. Mail* P.O. Box 937  
Imperial, CA 92251

*Address for Personal or  
Overnight Delivery:* 333 E. Barioni Boulevard  
Imperial, CA 92251

Telephone: 760-339-9477  
Facsimile: 760-339-9392

With a copy delivered by the same means to:

Horton, Knox, Carter & Foote  
895 Broadway  
El Centro, CA 92243  
Attention: John P. Carter, Esq.

Telephone: 760-352-2821  
Facsimile: 760-352-8540

**To MWD:** The Metropolitan Water District of  
Southern California  
Attn.: Chief Executive Officer

*Address for U.S. Mail* P.O. Box 54153  
Los Angeles, CA 90054

*Address for Personal or  
Overnight Delivery:* 700 North Alameda Street  
Los Angeles, CA 90012-2944

Telephone: 213-217-6000  
Facsimile: 213-217-6950

With a copy delivered by the same means and at the same address to:

The Metropolitan Water District of Southern  
California  
Attn: General Counsel

**To CVWD:** Coachella Valley Water District  
Attn.: General Manager-Chief Engineer

*Address for U.S. Mail* P.O. Box 1058  
Coachella, CA 92236

*Address for Personal or  
Overnight Delivery:* Highway 111 and Avenue 52  
Coachella, CA 92236

Telephone: 760-398-2651  
Facsimile: 760-398-3711

With a copy delivered by the same means to:

Redwine & Sherrill  
1950 Market Street  
Riverside, CA 92501

Telephone: 909-684-2520  
Facsimile: 909-684-9583

(1) A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

(2) A Party may change its address by giving the other Parties notice of the change in any manner permitted by this Agreement.

**11.2 Waiver.** No waiver of a breach, failure of condition, or any right or remedy contained in or granted by the provisions of this Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of a breach, failure of condition or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

**11.3 Post-Closing Notices.** Each Party will give the other Parties prompt notice from time to time after the Closing Date and prior to the Termination Date of any actions, suits, legal or administrative proceedings, or governmental investigations pending or, to such Party's knowledge, threatened against or affecting any Party relating to the performance contemplated by this Agreement and the Related Agreements.

**11.4 Counterparts.** This Agreement may be executed in three or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

**11.5 No Third-Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

**11.6 Ambiguities.** Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

**11.7 Alterations in PPI or GDPIPD Inflation Indices.** If the publication of the Producer Price Index for the Materials and Components for Construction (ID #WPUSOP2200) or if the publication of the Gross Domestic Product Implicit Price Deflator is altered in some manner, including changing the name of the index, the geographic area covered, or the base year, the Parties will use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects the change in the level of producer prices for the materials and components for construction, or the change in the level of prices for goods and services included in the calculation of the United States Gross Domestic Product, as applicable.

**11.8 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of law provisions; provided, however, that federal law shall be applied as appropriate to the extent it bears on the resolution of any claim or issue relating to the permissibility of the acquisitions of Colorado River water contemplated herein.

**11.9 Binding Effect; No Assignment.** This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. No Party may Assign any of its rights or Delegate any of its duties under this Agreement or the Related Agreements, and any such Assignment or Delegation made in violation of this Section 11.9 shall be void and of no force or effect.

**11.10 Joint Defense.** The Parties agree to cooperate, to proceed with reasonable diligence, and to use reasonable best efforts to defend any lawsuit or administrative proceeding challenging the legality, validity or enforceability of any term of this Agreement, or any Party's right to act in accordance with any of the terms of this Agreement. Except as otherwise provided in the ECSA, or under an agreement referenced in Section 6.2(15), each Party shall bear its own costs of participation and representation in any such defense.

**11.11 Entire Agreement.** This Agreement (including the exhibits and other agreements attached to and referenced in this agreement) constitutes the final, complete, and exclusive statement of the terms of the Agreement among the Parties pertaining to its subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

**11.12 Modification.** This Agreement may be supplemented, amended, or modified only by the written agreement of the Parties. No supplement, amendment, or modification will be binding unless it is in writing and signed by all Parties.

IN WITNESS WHEREOF, IID, CVWD AND MWD have executed this Agreement as of the day and year first written above.

Approved as to form:

By: [Signature]

Its: Chief Counsel

IMPERIAL IRRIGATION DISTRICT

By: [Signature]

Its: PRESIDENT

By: Gloria A Rivera

Its: Secretary

By: [Signature]

Its: General Counsel

COACHELLA VALLEY WATER DISTRICT

By: [Signature]

Its: General Manager-Chief Engineer

By: [Signature]

Its: GENERAL COUNSEL

THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA

By: [Signature]

RONALD R. GASTELUM  
Chief Executive Officer

## **EXHIBIT A**

## EXHIBIT A

### **QSA-RELATED AGREEMENTS<sup>1</sup>**

Quantification Settlement Agreement dated October 10, 2003

Colorado River Water Delivery Agreement dated October 10, 2003

Allocation Agreement Among the United States of America; The Metropolitan Water District of Southern California; Coachella Valley Water District; Imperial Irrigation District; San Diego County Water Authority; The La Jolla, Pala, Pauma, Rincon and San Pasqual Bands of Mission Indians; the San Luis Rey Indian Water Authority; The City of Escondido and Vista Irrigation District dated October 10, 2003

Agreement for Transfer of Conserved Water by and between Imperial Irrigation District and San Diego County Water Authority dated April 29, 1998

Revised Fourth Amendment to Agreement Between Imperial Irrigation District and San Diego County Water Authority for Transfer of Conserved Water dated October 10, 2003

Delivery and Exchange Agreement Between Metropolitan and Coachella for 35,000 Acre-Feet dated October 10, 2003

Agreement For Acquisition of Water Between Coachella Valley Water District and The Metropolitan Water District of Southern California dated October 10, 2003

Agreement for Acquisition of Conserved Water by and between Imperial Irrigation District and The Metropolitan Water District of Southern California dated October 10, 2003

Agreement for Acquisition of Conserved Water by and between Imperial Irrigation District and Coachella Valley Water District dated October 10, 2003

Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement dated October 10, 2003

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<sup>1</sup> Exhibits to such Agreements are included even without express reference.



Environmental Cost Sharing, Funding and Habitat Conservation Plan Development Agreement dated October 10, 2003

Conservation Agreement Among the Bureau of Reclamation, Imperial Irrigation District, Coachella Valley Water District and San Diego County Water Authority dated October 10, 2003

Funding Agreement Among the Bureau of Reclamation, the Metropolitan Water District of Southern California and the San Diego County Water Authority Regarding Implementation of Conservation and Mitigation Measures Identified in United States Fish and Wildlife Service Biological Opinion dated January 12, 2001, "For Interim Surplus Criteria (Hereinafter "Guidelines"), Secretarial Implementation Agreements, and Conservation Measures on the Lower Colorado River, Lake Mead to the Southerly International Boundary Arizona, California, and Nevada" dated October 10, 2003

Agreement Between The Metropolitan Water District of Southern California and the San Diego County Water Authority Regarding Allocation of the Benefits of the Biological Opinion for Interim Surplus Criteria, Secretarial Implementation Agreements, and Conservation Measures on the Lower Colorado River, Lake Mead to the Southerly International Boundary, Arizona, California, and Nevada, dated January 12, 2001

Agreement for the Conveyance of Water Among the San Diego County Water Authority, the San Luis Rey Settlement Parties, and the United States

Amendment to the Agreement for the Implementation of a Water Conservation Program and Use of Conserved Water between the Imperial Irrigation District and the Metropolitan Water District of Southern California dated October 10, 2003

Amendment to the Approval Agreement Among the Imperial Irrigation District, the Metropolitan Water District of Southern California, Palo Verde Irrigation District, and Coachella Valley Water District dated October 10, 2003

Amendment to the Agreement to Supplement Approval Agreement Between the Metropolitan Water District of Southern California and Coachella Valley Water District dated October 10, 2003

IID and CVWD Consent Letter to MWD/PVID Water Transfer Program dated October 10, 2003

Amended and Restated Agreement Between The Metropolitan Water District of Southern California and the San Diego County Water Authority for the Exchange of Water, dated October 10, 2003

MWD/DFG Special Surplus Payment Agreement

DWR letter re Delivery and Exchange Agreement between Metropolitan and Coachella for  
35,000 Acre-Feet, dated October 10, 2003

## **EXHIBIT B**

EXHIBIT B<sup>2</sup>

**AGREEMENTS EXECUTED BUT CONTINGENT ON PERMITS, APPROVALS OR  
CONSENTS, OR TO BE SIGNED AFTER THE QSA EXECUTION**

Stipulation for Dismissal and Order Thereon, IID v. USA, et al., Case No. 03cv0069 W(JFS),  
United States District Court, Southern District of California

The 2003 Exchange Agreement by and between Coachella Valley Water District and the  
Metropolitan Water District of Southern California dated \_\_\_\_\_

Agreement Between the Imperial Irrigation District and the Department of Water Resources for  
the Transfer of Colorado River Water dated October 10, 2003

Agreement Between the Metropolitan Water District of Southern California and the Department  
of Water Resources for the Transfer of Colorado River Water dated October 10, 2003

DFG Take Permits

USFWS Take Permits

SWRCB consent to modification of IID/SDCWA transfer mitigation for first 15 years

Amendments No. 27 and No. 28 to the Water Supply Contract Between the State of California  
Department of Water Resources and Metropolitan Water District of Southern California

Amendment No. 18 to the Water Supply Contract Between the State of California Department of  
Water Resources and Coachella Valley Water District

Amendment No. 18 to the Water Supply Contract Between the State of California Department of  
Water Resources and Desert Water Agency

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<sup>2</sup> Exhibits to such Agreements are included even without express reference.

## **EXHIBIT C**

**EXHIBIT C**  
**COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE**

Agmt Yr	Cal Yr	IID/SD (KAF)	IID/CVWD (KAF) <sup>1</sup>	IID/MWD (KAF)	Total Delivery (KAF)	Total Efficiency (KAF)	Fallowing for Delivery (KAF)	Mitigation Fallowing (KAF)	Total Fallowing (KAF)
1	2003	10	0	0	10	0	10	5	15
2	2004	20	0	0	20	0	20	10	30
3	2005	30	0	0	30	0	30	15	45
4	2006	40	0	0	40	0	40	20	60
5	2007	50	0	0	50	0	50	25	75
6	2008	50	4	0	54	4	50	25	75
7	2009	60	8	0	68	8	60	30	90
8	2010	70	12	0	82	12	70	35	105
9	2011	80	16	0	96	16	80	40	120
10	2012	90	21	0	111	21	90	45	135
11	2013	100	26	0	126	46	80	70	150
12	2014	100	31	0	131	71	60	90	150
13	2015	100	36	0	136	96	40	110	150
14	2016	100	41	0	141	121	20	130	150
15	2017	100	45	0	145	145	0	150	150
16	2018	130	63	0	193	193	0	0	0
17	2019	160	68	0	228	228	0	0	0
18	2020	192.5	73	2.5	268	268	0	0	0
19	2021	205	78	5.0	288	288	0	0	0
20	2022	202.5	83	2.5	288	288	0	0	0
21	2023	200	88	0	288	288	0	0	0
22	2024	200	93	0	293	293	0	0	0
23	2025	200	98	0	298	298	0	0	0
24	2026	200	103	0	303	303	0	0	0
25	2027	200	103	0	303	303	0	0	0
26	2028	200	103	0	303	303	0	0	0
27-45	2029-2047	200	103	0	303	303	0	0	0
46-75	2048-2077	200	50	0	250	250	0	0	0

<sup>1</sup> or MWD if CVWD declines to acquire.

**EXHIBIT 5**

## Appendix 5.1

### IID's Pending and Threatened Litigation Disclosure

The following actions, suits, legal or administrative proceedings, or governmental investigations are pending, or (to IID's knowledge) have been threatened relating to the performance of this Agreement. By listing the items here, IID does not imply that any of these matters have merit and, in fact, IID disputes the legitimacy of all the below matters. They are provided here simply as a disclosure of their existence or threat, per the Agreement.

1. United States Part 417 Proceeding (2003) -- IID is currently engaged in a dispute with the United States over IID's 2003 water order, with an appeal to the Secretary of the Interior from the Regional Director's Final Determination due to be filed later this month. The 2003 Part 417 review of IID will be terminated by the United States and IID's order approved as part of the QSA settlement.
2. United States Part 417 Proceeding (Future Years) -- Though IID disputes the legal ability of the United States to review IID's water use under Part 417, the United States contends that it has the right to review IID's water use under that regulation on a yearly basis. In future years such review is required to be in compliance with obligations of the United States in the QSA package of documents, and IID and the United States have reserved their litigation rights.
3. IID v. United States, et al. (Case No. 03 CV 0069W (JFS), Southern District California) This case pertains to IID's 2003 water order. It is currently stayed and will be dismissed as part of the overall QSA settlement.
4. Reasonable Beneficial Use Lawsuits/Actions By Junior Appropriators and Others -- Junior appropriators MWD and CVWD have threatened to sue IID over its reasonable beneficial use of water. The QSA settlement controls MWD's and CVWD's rights to commence such proceedings during the QSA. Other entities not constrained by the QSA may sue IID.
5. Morgan, et al. v. Imperial Irrigation District (Case No. L-01510, Superior Court of California, Imperial County)-- This is a lawsuit against IID and "All Persons Interested" brought by certain landowners in IID. This "Morgan Group" of plaintiffs consists of disgruntled landowners in the Imperial Valley who have asserted in this case, and/or in other places at other times, the following general issues: (a) they have "revoked" their status as beneficiaries and thus IID has no authority over Colorado River water; (b) IID has mismanaged its water right; (c) the landowners have the right to make their own deals with third parties to transfer water outside the IID service area; (d) IID cannot agree to the QSA without landowner consent; (e) methods being discussed by IID to implement the conservation programs required under the QSA documents are unfair and improper; (f) other similar complaints about IID and its management.
6. Imperial Valley Actions -- Many residents, landowners, farmers, and groups in the Imperial Valley are not in agreement with IID over the terms of the QSA, and have threatened to take action. The exact nature and extent of such possible action is unknown to IID.



7. Environmental Lawsuits/Actions -- Though the QSA and transfers were subject to extensive environmental review and provide for extensive environmental mitigation, various environmental groups and citizens have asserted that mitigation is inadequate or that the environmental documentation is inadequate. The exact nature and extent of such possible action is unknown to IID.

8. Lining Of All American Canal -- Many persons, both in the United States and in Mexico, appear to use groundwater that is being supplied by seepage from the All-American Canal. Lining will reduce access to seepage groundwater once the canal is lined. Persons have complained about this situation, and it is possible that such persons (and perhaps Mexico) will attempt to stop such lining.

9. Indian Tribes -- Certain Indian tribes border the Colorado River and have complained in the past to IID that any reductions in IID water orders so that more water can be taken by MWD or SDCWA at Parker Dam will adversely affect their power generation and their on-river wildlife habitat.

## APPENDIX 5.2

### NO PENDING OR THREATENED DISPUTES

There are no actions, suits, legal or administrative proceedings, or governmental investigations pending or threatened against or affecting CVWD which would adversely impact CVWD's ability to undertake the performance contemplated by this Agreement other than the following:

1. A general threat by the Center for Biological Diversity to sue challenging QSA transfers and environmental mitigation.
2. The Navajo Nation vs. United States Department of the Interior, et al., USDC for the District of Arizona, Case No. CIV 03 0507 PCTPG.
3. The Morgan Group lawsuit against IID.
4. The County of Imperial suit under CEQA challenging the State Water Resources Control Board Order Conditionally Approving the IID - SDCWA transfer and the CVWD/MWD acquisition.

### **APPENDIX 5.3**

None, other than the matters referenced in Appendix 5.1.

**REVISED FOURTH AMENDMENT TO AGREEMENT BETWEEN IMPERIAL  
IRRIGATION DISTRICT AND SAN DIEGO COUNTY WATER AUTHORITY  
FOR TRANSFER OF CONSERVED WATER**

THIS REVISED FOURTH AMENDMENT TO THE AGREEMENT BETWEEN IMPERIAL IRRIGATION DISTRICT AND SAN DIEGO COUNTY WATER AUTHORITY (the "Amendment") dated as of October 10, 2003, by and between IMPERIAL IRRIGATION DISTRICT ("IID"), a California irrigation district and SAN DIEGO COUNTY WATER AUTHORITY ("Authority"), a California county water authority, amends that certain Agreement For Transfer of Conserved Water by and between Imperial Irrigation District and San Diego County Water Authority dated April 29, 1998 (the "Agreement"), and all previous amendments.

**BACKGROUND**

A. IID is a party to that certain Quantification Settlement Agreement ("QSA") among IID, Metropolitan Water District ("MWD") and Coachella Valley Water District ("CVWD"). The QSA and a number of other agreements defined in the QSA as Related Agreements (the "Related Agreements") will be executed by the parties to each of those Related Agreements, including, as applicable, the United States of America and the California Department of Water Resources ("DWR") upon completion of environmental review and satisfaction of a number of conditions. The QSA and the Related Agreements consensually establish the terms for the priority, use and distribution of Colorado River Water among IID, Authority, MWD and CVWD. The Related Agreements include, inter alia, the Agreement, the Agreement for Acquisition of Conserved Water By and Between Imperial Irrigation District and Coachella Valley Water District ("IID/CVWD Acquisition Agreement"), the Agreement for Acquisition of Conserved Water By and Between Imperial Irrigation District and The Metropolitan Water District of Southern California ("IID/MWD Acquisition Agreement"), the Amended and Restated Agreement Between The Metropolitan Water District of Southern California and the San Diego County Water Authority for the Exchange of Water, dated October 10, 2003 ("Exchange Agreement") and the Environmental Cost Sharing, Funding and Habitat Conservation Plan Development Agreement among CVWD, IID, and the Authority ("ECSA"), the Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement ("QSA-JPA"), the Agreement for Transfer of Conserved Water By and Between Imperial Irrigation District and California Department of Water Resources ("IID/DWR Agreement"), the Agreement for Acquisition of Conserved Water By and Between the California Department of Water Resources and The Metropolitan Water District of Southern California ("DWR/MWD Acquisition Agreement"), and the Allocation Agreement Among the United States, IID, CVWD, MWD and the Authority ("Allocation Agreement").

B. This Amendment is to modify certain aspects of the Agreement to be consistent with the terms and conditions of the QSA and Related Agreements and to modify other aspects to temporarily lessen the environmental impacts of the transfer of Conserved Water from the IID to the Authority. This Amendment is expressly conditioned upon the satisfaction or waiver of all terms and conditions of the QSA and the occurrence of the QSA Effective Date as defined in the QSA.

C. All capitalized terms used and not otherwise defined herein shall have their respective meaning provided in the Agreement.

D. The Recitals to this Amendment and the Exhibits attached to this Amendment are a part of the terms of this Amendment.

### **CONDITIONS**

1. Conditions to this Amendment. This Amendment is subject to the satisfaction of the following conditions on or before the dates specified below.

A. QSA. The QSA Effective Date, as defined in the QSA, has occurred by October 12, 2003.

B. Wheeling. The Authority and MWD have executed the Exchange Agreement on or before the QSA Closing Date as defined in the QSA.

C. SWRCB. The order of the State Water Resources Control Board conditionally approving the transfer of Conserved Water is modified as necessary to authorize the transfer consistent with this Amendment on or before October 31, 2003.

2. The parties agree that upon execution of this Amendment, and without regard to any conditions, each will act in good faith and exercise reasonable efforts to implement the Agreement as amended hereby. Upon satisfaction of all conditions precedent to this Amendment, the operative terms of this Amendment shall be effective and shall be governed by and construed in accordance with the laws of the State of California, without giving effect to the conflicts of laws principles thereof. This Amendment may be executed in any number of counterparts with the same effect as if the signatures thereto were upon one instrument. This Amendment constitutes an amendment and modification of the Agreement in accordance with § 18.9 of the Agreement and shall be read and construed with the Agreement as one instrument. Except as expressly amended hereby, the Agreement shall remain in full force and effect, and the parties hereby ratify, confirm and adopt the Agreement, as amended hereby.

### **TERMS**

In consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration and intending to be legally bound hereby, the IID and the Authority agree:

#### **Article 1**

Section 1.1(a) is modified by substituting the following definition:

*"1.1(a) Actual Wheeling Rate – The rate per AF to be paid by the Authority to MWD as determined by agreement or arbitration, litigation or other dispute-resolution mechanism between the Authority and MWD for wheeling water from Lake Havasu to the Conveyance Path Terminus, calculated by dividing*

*the Agreement Year annual total of all required payments (exclusive of any fixed costs, and net of any benefit credits) by the difference between the total Agreement Year annual volume of Conserved Water transferred by the IID to the Authority less any Conveyance Losses from Lake Havasu to the Conveyance Path Terminus."*

Section 1.1(c) is deleted.

Section 1.1(i) is modified by substituting the following definition:

*"1.1(i) Agreement Year 1 – Calendar Year 2003."*

Section 1.1(n) is deleted.

Section 1.1(bk) is modified by replacing it in its entirety by the following:

*"(bk) IID Environmental Cost Ceiling. A cost that is not of a magnitude in Effective-Date Dollars that will exceed thirty million dollars (\$30,000,000.00)."*

Section 1.1(cu) is modified to substitute *"in accordance with the ramp-up schedule set forth in modified § 3.1"* for the existing reference to *"by twenty thousand (20,000) AFY."*

Section 1.1(dc) is deleted.

Section 1.1(dv) is deleted.

Section 1.1(dw) is deleted.

Section 1.1 (ea) is modified to substitute *"(af)"* for *"(ag)."*

Section 1.1 (ec) is modified to substitute *"(ag)"* for *"(ah)."*

Section 1.1 (ed) is modified to substitute *"(ah)"* for *"(ai)."*

Section 1.1 (ee) is modified to substitute *"(ai)"* for *"(aj)."*

Section 1.1(eg) is deleted.

Section 1.1(eh) is deleted.

## **Article 2**

No changes.

### Article 3

Section 3.1 is in its entirety is replaced by substituting the following ramp up schedule and provision regarding the Stabilized Primary Quantity.

*"Primary Transfer. Subject to satisfaction or waiver of the Contracting Landowner conditions of § 9.4, the quantity of Conserved Water transferred in Agreement Years 1 through 19 shall be as follows:*

<i>Agreement Year</i>	<i>Quantity (AFY)</i>
<i>1</i>	<i>10,000</i>
<i>2</i>	<i>20,000</i>
<i>3</i>	<i>30,000</i>
<i>4</i>	<i>40,000</i>
<i>5</i>	<i>50,000</i>
<i>6</i>	<i>50,000</i>
<i>7</i>	<i>60,000</i>
<i>8</i>	<i>70,000</i>
<i>9</i>	<i>80,000</i>
<i>10</i>	<i>90,000</i>
<i>11</i>	<i>100,000</i>
<i>12</i>	<i>100,000</i>
<i>13</i>	<i>100,000</i>
<i>14</i>	<i>100,000</i>
<i>15</i>	<i>100,000</i>
<i>16</i>	<i>130,000</i>
<i>17</i>	<i>160,000</i>
<i>18</i>	<i>190,000</i>
<i>19</i>	<i>200,000</i>

*Subject to satisfaction of the Contracting Landowner conditions of § 9.4, the Stabilized Primary Quantity will be two hundred thousand (200,000) AFY. The IID may not change the quantity of the Stabilized Primary Quantity once the amount has been established."*

Section 3.2 is modified by replacing it in its entirety with the following:

*"3.2 Discretionary Additional Transfers. Subject to the provisions of this section, if IID in its complete discretion wishes to transfer "Additional Available Water" between Agreement Year 1*

*through Agreement Year 18, it must offer that Conserved Water first to the Authority.*

*(a) Additional Available Water. "Additional Available Water" means that quantity of Conserved Water, if any, up to a maximum volume in any Agreement Year calculated by subtracting the ramp-up volume identified in modified § 3.1 for any Agreement Year from two hundred thousand (200,000) AFY. Additional Available Water does not include:*

*(i) Water that the IID transfers to MWD or CVWD under the QSA; or*

*(ii) Water conserved from the All-American Canal or Coachella Canal.*

*(iii) Water that IID transfers under the IID/DWR Agreement.*

*(b) Price. The price for Additional Available Water will be the same price as for the Primary Transfer Water transferred under § 3.1 concurrently.*

*(c) Procedure. The transfer of Additional Available Water shall proceed as follows:*

*(i) Notice to Acquirer. On or after January 1 of Agreement Year 2, on each occasion that it wishes to transfer Additional Available Water, the IID shall give a notice of its desire to transfer Additional Available Water ("Notice to Transfer"). The Notice to Transfer must contain the terms of the desired quantity, transfer start date, period over which the transfer would increase from the minimum to the maximum and any environmental, transportation, SWRCB approval, BOR approval or Landowner participation conditions.*

*(ii) Response to Notice; Meet and Confer. The Authority must either decline the offer of Additional Available Water, accept the terms and conditions contained in such Notice, respond with alternative acceptable terms and conditions, or meet and confer with the IID to determine whether mutually acceptable terms and conditions can be negotiated. The Parties have six (6) months from the giving of the Notice to Transfer to reach an agreement on the terms and conditions for the transfer of Additional Available Water or the Notice will be deemed rejected.*

*(iii) Condition Removal. Should the Parties agree that the transfer of Additional Available Water may be*



*conditioned on the satisfaction of environmental, transportation, SWRCB approval, BOR approval or Landowner participation conditions, the period for satisfaction of such conditions may not be longer than twenty-four (24) months from the date that the Parties reach agreement on the terms for transfer of the Additional Available Water. The Parties agree to proceed with reasonable diligence and use reasonable best efforts to satisfy any conditions for which a Party has accepted responsibility.*

*(iv) Start Date. The first day that Additional Available Water may be transferred to the Authority is the later of:*

*(A) January 1 of Agreement Year 3, or*

*(B) Six (6) months after the satisfaction of the last remaining condition referenced in § 3.2(c)(iii) above.*

*(v) Term. The term of transfer of Additional Available Water must end no later than the end of Agreement Year 18.*

*(vi) Waiver of Right to Acquire or Transfer. The failure of the Parties to negotiate acceptable terms and conditions for the transfer of Additional Available Water shall entitle the IID to give a "Notice of Waiver" which results in the Authority relinquishing any further rights as to a transfer of water under the Notice of Transfer which is the subject of the Notice of Waiver. If all of the agreed upon conditions for the transfer of Additional Available Water are not satisfied or waived, the IID shall be entitled to give a Notice of Waiver as to that Notice of Transfer.*

New Section 3.5 is added in its entirety as follows:

*"3.5 Early Transfer Water. In addition to any Conserved Water that IID may transfer to the Authority under §§ 3.1, 3.2, 3.3 or 3.4 herein, IID will transfer ten thousand (10,000) AF of Conserved Water in the manner set forth elsewhere in this Article 3 ("Early Transfer Water"). The Early Transfer Water shall be made available to the Authority at Imperial Dam in Calendar Years 2020, 2021 and 2022 as follows:*

*Calendar Year 2020: 2,500 AF*

*Calendar Year 2021: 5,000 AF*

*Calendar Year 2022: 2,500 AF*

(a) Transfer Complete at Imperial Dam. IID effects a transfer of Early Transfer Water to the Authority under this Agreement by reducing its annual diversion (less return flows) from the Colorado River at Imperial Dam by an amount equal to the quantity of Early Transfer Water to be transferred to the Authority set forth in § 3.5. When the IID effects a transfer in that manner, the IID has satisfied its obligation to transfer such Early Transfer Water. The Authority accepts responsibility for the Early Transfer Water at Imperial Dam. The Authority assumes responsibility for all arrangements to divert and transport the Early Transfer Water to the Conveyance Path Terminus, including disruption or cost resulting from MWD conduct contrary to the provisions of the 1998 IID/SDCWA Transfer Agreement, the QSA or the Related Agreements.

(b) Authority's Scheduling Discretion. The Authority accepts the transfer of the Early Transfer Water beginning on January 1 of 2020, 2021 and 2022. The Authority has complete discretion within each Calendar Year for the requisite annual quantity on the scheduling of its diversions from the point of diversion to the Conveyance Path Terminus.

(c) Calendar-Year Limitation. The Authority's right to Early Transfer Water under this Amendment is not cumulative, and the Authority has no right to any quantity of Early Transfer Water that it does not divert within the Calendar Year that it is to be transferred. Thus, if the Authority fails to divert the Early Transfer Water to which it is entitled under this Amendment in any one Calendar Year, the amount to which the Authority is entitled (and the amount that IID is obligated to transfer under this Amendment) in any other Calendar Year is unaffected.

(d) Method of Conservation. IID may generate the Early Transfer Water in accordance with any method permissible under the 1998 IID/SDCWA Transfer Agreement or the QSA.

(i) Method of conservation. IID reserves complete discretion in determining how to create the Early Transfer Water in accordance with the 1998 IID/SDCWA Transfer Agreement or the QSA.

(ii) No landowner subscriptions required. Nothing herein shall be construed as requiring IID to solicit and secure landowner subscriptions to generate Early Transfer Water.

(e) Re-Transfer Prohibited. The Authority shall not re-transfer the Early Transfer Water for use outside the boundaries of the Authority."

New Section 3.6 is added in its entirety as follows:

*"3.6 **Transfer of Salton Sea Mitigation Water.** IID shall transfer "**Salton Sea Mitigation Water**" to the Authority, at no cost or expense to the Authority, and the Authority shall deliver the Salton Sea Mitigation Water to the Salton Sea, at no cost or expense to the Authority, pursuant to the terms of this Section 3.6.*

*(a) **Schedule.** IID shall deliver Salton Sea Mitigation Water to the Authority as follows:*

<i><b>Agreement Year</b></i>	<i><b>Calendar Year</b></i>	<i><b>Quantity (AF)</b></i>
<i>1</i>	<i>2003</i>	<i>5,000</i>
<i>2</i>	<i>2004</i>	<i>10,000</i>
<i>3</i>	<i>2005</i>	<i>15,000</i>
<i>4</i>	<i>2006</i>	<i>20,000</i>
<i>5</i>	<i>2007</i>	<i>25,000</i>
<i>6</i>	<i>2008</i>	<i>25,000</i>
<i>7</i>	<i>2009</i>	<i>30,000</i>
<i>8</i>	<i>2010</i>	<i>35,000</i>
<i>9</i>	<i>2011</i>	<i>40,000</i>
<i>10</i>	<i>2012</i>	<i>45,000</i>
<i>11</i>	<i>2013</i>	<i>70,000</i>
<i>12</i>	<i>2014</i>	<i>90,000</i>
<i>13</i>	<i>2015</i>	<i>110,000</i>
<i>14</i>	<i>2016</i>	<i>130,000</i>
<i>15</i>	<i>2017</i>	<i>150,000</i>

*(b) **Term.** IID shall transfer the Salton Sea Mitigation Water to the Authority at no charge to the Authority and the Authority shall deliver the Salton Sea Mitigation Water to the Salton Sea for the lesser of (i) fifteen (15) Years or (ii) until*

*such time as IID transfers the Salton Sea Mitigation Water to the DWR pursuant to the IID/DWR Agreement.*

*(c) Purpose. IID shall transfer the Salton Sea Mitigation Water to the Authority and the Authority shall deliver the Salton Sea Mitigation Water to the Salton Sea for the sole purpose of providing mitigation water to the Salton Sea, consistent with the refined Salton Sea Habitat Conservation Strategy, as defined in the Amended and Restated Addendum to the Final Impact Report for the IID Water Conservation and Transfer Project (September 2003).*

*(d) Price. IID will be paid an amount that has a present value as of the Effective Date of fifty million dollars (\$50,000,000) solely from the funds collected pursuant to the QSA-JPA on the schedule attached to the QSA-JPA.*

*(e) Exchange. The Authority shall deliver the Salton Sea Mitigation Water to the Salton Sea by either:  
(i) causing the Salton Sea Mitigation Water to be physically delivered to the Salton Sea; or (ii) if necessary, exchanging a portion of such water with CVWD or water from other sources to be delivered to the Salton Sea or cause such water to be delivered to the Salton Sea through forbearance arrangements with IID.*

*(f) IID Duty to Cooperate. IID shall reasonably cooperate with and assist the Authority in the delivery of Salton Sea Mitigation Water to the Salton Sea at no charge to the Authority.*

#### **Article 4**

New Article 4.1(c) is added in its entirety as follows:

*"4.1(c) Early Termination. The Authority may elect to terminate at the end of Year 35 if conditions identified in (ii) below are satisfied:*

*(i) Completion of Dispute Resolution – Within fifteen (15) years of the Effective Date, the Authority has reached agreement with MWD on the Actual Wheeling Rate or completed binding arbitration, litigation or other dispute-resolution mechanism with MWD to determine the Actual Wheeling Rate for Agreement Years 31 through 45.*

*(ii) Actual Wheeling Rate Trigger and Notice – If the Actual Wheeling Rate as determined*

*under (i) above exceeds one hundred twenty-five percent (125%) of the Base Wheeling Rate or the Authority has been unable to reach agreement with MWD or complete binding arbitration, litigation or other dispute-resolution mechanism, then the Authority has the right to terminate this Agreement for Transfer of Conserved Water as of the end of Agreement Year 35, but only if the Authority gives notice of such early termination no later than the end of Agreement Year 15. In any arbitration, litigation or other dispute-resolution mechanism to resolve the amount of the Actual Wheeling Rate, the Authority will cooperate, support and include IID's full participation as a real party-in-interest. Failure to give such notice before the end of Agreement Year 15 renders any right to early termination null and void and the Agreement shall continue through Agreement Year 45 regardless of the Actual Wheeling Rate. If the Authority exercises the right to terminate this Agreement as of the end of Agreement Year 35, this Agreement shall terminate at the end of Agreement Year 35 and IID shall have no further obligation to offer water to the Authority before offering water in any subsequent transfer to any other party.*

Section 4.2 is deleted and replaced with the following:

*"4.2 IID or the Authority may request the other to renew this Agreement on identical terms and conditions and for a Renewal Term of 30 years. Such request (the "Renewal Request") must be made no later than the end of Year 38. The Party not making the Renewal Request shall accept or reject the renewal in the exercise of its complete discretion, no later than the end of Year 40, and if no timely response is delivered, the Renewal Request is deemed rejected."*

Section 4.3 is deleted and replaced in its entirety with the following.

*"4.3 Right of First Refusal In the Event of Non-Renewal.*

*(a) If the Agreement is not renewed, then for a period of fifteen (15) years following the end of the Initial Term:*

(i) *The Party making a renewal request pursuant to Section 4.2 above is granted a right of first refusal;*

(ii) *If neither Party makes a renewal request pursuant to Section 4.2 above, neither Party shall have a right of first refusal;*

(iii) *If no Renewal Term occurs, despite a mutual agreement to renew, because of the failure to satisfy the conditions to renewal, then both Parties are granted a right of first refusal. Conditions to renewal include the same conditions precedent as for the Initial Term.*

(b) *A Party with a right of first refusal must first receive from the other party a proposal to transfer Conserved Water or a proposal to acquire water on terms consistent with this Agreement before a transfer proposal is extended to any other person or entity.*

(c) *The Party receiving the proposal shall have ninety (90) days to accept the proposal or propose other terms for transfer or acquisition and reach agreement.*

(d) *If no agreement is reached, the Party making the proposal may then solicit others to contract to transfer Conserved Water or acquire water on terms identical to or less valuable to the Party than the terms of the proposal not accepted when extended to the other Party, and the terms of any counterproposal exchanged pursuant to subsection (c).*

(e) *In determining whether a proposal is less valuable, the methodology described in Section 4.4(v) shall be utilized."*

## **Article 5**

Section 5.1(d) is modified by substituting the formula for the Base Contract Price as follows:

*"5.1(d) Base Contract Price – The Base Contract Price shall be determined by the following formula:*

*[MWD Full Water Rate - Base Wheeling Rate] x [1 – Applicable Discount Rate] + 50% x [Base Wheeling Rate – the lesser of the Actual Wheeling Rate or 115% of the Base Wheeling Rate]*

*"The formula is expressed as the 'Base Contract Price equals [the MWD Full Water Rate minus the Base Wheeling Rate] multiplied by the difference between [one (1) minus the Applicable Discount Rate] plus fifty percent (50%) of the difference between [the Base Wheeling Rate minus the lesser of the Actual Wheeling Rate or one hundred fifteen percent (115% of the Base Wheeling Rate)].' Whether the Base Wheeling Rate is more than the Actual Wheeling Rate or the Actual Wheeling Rate is more than the Base Wheeling Rate will determine whether the difference is a positive or negative number and thus whether the Base Contract Price will increase or decrease."*

Section 5.1(f)(x) is modified by replacing it in its entirety as follows:

*"(x) Excluded Transactions: Any Transaction involving a transfer under an Adjunct Contract with MWD or CVWD, any transfer under the IID/MWD 1988 Agreement, any transfer of water conserved from the All-American Canal or the Coachella Canal, any transfer under this Agreement, or any transfer under the IID/DWR Agreement or the DWR/MWD Acquisition Agreement."*

Section 5.1(w)(vii) is modified by replacing it in its entirety as follows:

*"(vii) Excluded Transactions. Any transfers under this Agreement, any transfer under the IID/MWD 1988 Agreement, any transfer of water conserved from the All-American Canal or the Coachella Canal; any Transaction which became a binding contract between the parties to the Transaction before the Execution Date, or any transfer under the IID/DWR Agreement or the DWR/MWD Acquisition Agreement."*

Section 5.2(a) is amended by deletion of the Shortage Premium from the formula for calculation of the price during the Initial Pricing Phase, for the period from Year 1 to Year 15 only, by adding the following provision as the last sentence:

*"However, the Shortage Premium shall not be included in the formula until Agreement Year 16."*

Section 5.2(a) is further modified by the addition of new Section 5.2(e) to substitute the price per AF as set forth below for Year 1 through Year 5; and to further substitute the price per AF as set forth below after Year 5 and up through Year 15, unless either IID or the Authority provides notice (the "Price Formula Notice") to the other by April 1 of any year that either has

elected to revert to the pricing formula set forth in Section 5.2(a); provided however that the Price Formula Notice cannot be given before April 1 in Year 5.

*"5.2(e) Notwithstanding the provisions of § 5.2(a), the price per AF for Agreement Year 1 through Agreement Year 5, shall be as follows:*

<i>Agreement Year</i>	<i>Price per AF</i>
<i>1</i>	<i>\$258</i>
<i>2</i>	<i>\$267</i>
<i>3</i>	<i>\$276</i>
<i>4</i>	<i>\$286</i>
<i>5</i>	<i>\$296</i>

*Unless the IID or the Authority provides a notice by April 1 of any Year commencing with Agreement Year 5 (the "Price Formula Notice") that either has elected to revert to the pricing formula of § 5.2(a), then the price per AF for each of Agreement Years 6 through 15 that do not occur subsequent to the Price Formula Notice shall be as follows:*

<i>Agreement Year</i>	<i>Price Per AF</i>
<i>6</i>	<i>\$306</i>
<i>7</i>	<i>\$316</i>
<i>8</i>	<i>\$327</i>
<i>9</i>	<i>\$338</i>
<i>10</i>	<i>\$349</i>
<i>11</i>	<i>\$363</i>
<i>12</i>	<i>\$376</i>
<i>13</i>	<i>\$390</i>
<i>14</i>	<i>\$405</i>
<i>15</i>	<i>\$420</i>

*If the Price Formula Notice is given, then commencing on January 1 of the subsequent Year, the price formula of § 5.2(a), subject to the provisions of § 5.2(b) and (c), shall govern."*

New Section 5.5 is added in its entirety as follows:



*"5.5 Pricing for Early Transfer Water.*

*(a) Price. The price for the Early Transfer Water shall be one hundred and twenty-five dollars (\$125.00) per acre foot in 1999 Dollars.*

*(b) Wheeling. The cost of wheeling the Early Transfer Water to the Authority's Conveyance Path Terminus shall be the sole financial responsibility of the Authority and shall not affect the Price specified in § 5.5(a) above.*

*(c) Environmental Costs. The Authority shall be solely responsible for any and all Environmental Review Costs, Environmental Mitigation Costs and Environmental Litigation Costs, all as defined in the ECSA attributable to the Early Transfer Water, including a proportionate share of the Environmental Review Costs and Environmental Litigation Costs incurred as part of the Joint EIR/EIS process applicable to the Agreement. Environmental costs attributable to the Early Transfer water shall be paid by the Authority in addition to the Price specified in § 5.5(a) above.*

New Section 5.6 is added in its entirety as follows:

*"5.6 Prepayment for Water. At the end of Agreement Year 5, the Authority shall prepay IID Ten Million Dollars (\$10,000,000) for future deliveries of water. Interest on the prepayment shall begin to accrue at the end of Agreement Year 16 using the Authority's weighted average cost of funds for its short-term and long-term debt outstanding as shown in the Authority's annual financial report for each fiscal year ending June 30<sup>th</sup>. If not repaid sooner, beginning at the end of Agreement Year 16 through the end of Agreement Year 30, IID shall credit the Authority's monthly invoice in 180 equal monthly installments of \$55,555.56 plus accrued interest pursuant to Section 6.1(a) herein.*

**Article 6**

New Section 6.7 is added in its entirety as follows:

*"6.7 Payments for Early Transfer Water. The Authority shall make its payments to IID in three annual installments on June 30 of each Calendar Year for the volume identified in § 3.5 above. The annual price per acre foot in 1999 Dollars as set forth in Section 5.5(a) above shall be adjusted for inflation as set forth in § 1.1(a)(x), except that instead of the Effective Date of April 29, 1998, the date of January 1, 1999, shall be used. The payments by the Authority to IID are for the transfer of the Early Transfer*

*Water, whether or not the Authority actually diverts any or all of the Early Transfer Water. The provisions of § 6.2 and 6.3 of the Agreement are applicable to all payments for Early Transfer Water."*

## **Article 7**

Section 7.1(b)(i)(C) is deleted.

Section 7.1(b)(ii) is modified by substitution of the following:

*"Responsibility for Mitigation Measures. The Authority shall be responsible for implementing, at its cost, all environmental mitigation measures adopted as part of the environmental review process in order to mitigate the impacts of the "project" (A) on resources within San Diego County, and (B) caused by the transportation of Conserved Water to the Authority, and the costs and expenses for impacts on the Colorado River between Lake Havasu and Imperial Dam shall be reimbursed to the Authority pursuant to the QSA-JPA."*

Section 7.1(b)(iii) is deleted.

Section 7.1(c)(ii) is deleted.

Section 7.1(d)(i) through the end of (C) is modified by substitution of the following:

*"SWRCB. By October 31, 2003, the SWRCB has entered a Final Order that approves the IID's transfer of Conserved Water to the Authority under this Agreement on terms consistent with the QSA and the Related Agreements and acceptable to the Parties."*

Section 7.1(e) is deleted.

Section 7.3 is modified by adding the following sentence to the end of § 7.3:

*"Notice by the Authority that costs exceed the applicable specified caps shall be provided to the IID within fifteen (15) days of such determination being made by the Authority, and the IID shall provide notice within forty-five (45) days of receiving such notice from the Authority that the IID will contribute the additional costs as allowed, if the IID should chose to do so."*

## Article 8

Section 8.1(b)(ii) is modified by substitution of the following:

*"(b)(ii) Responsibility for Mitigation Measures. The IID shall be responsible for implementing, subject to all costs and expenses being reimbursed pursuant to the QSA-JPA, all environmental-mitigation measures adopted as part of the environmental review process in order to mitigate the impacts of the 'project' on (A) resources within Imperial County, exclusive of the Colorado River between Imperial Dam and the northern county border, and (B) on the Salton Sea, exclusive of impacts in Riverside County."*

Section 8.1(b)(iii) is modified by substitution of the following:

*"(b)(iii) After the Effective Date. If, after the Effective Date, initial mitigation costs or unanticipated environmental consequences result in additional mitigation above the IID Environmental Cost Ceiling, those costs shall not be the responsibility of IID and shall be paid pursuant to the terms of the ECSA and QSA-JPA."*

Section 8.1(c)(ii) is deleted.

Section 8.1(d)(i) through the end of (G) is modified by substitution of the following:

*"SWRCB. By December 31, 2002, the SWRCB has entered a Final Order that approves the IID's transfer of Conserved Water to the Authority under this Agreement and which contains the findings on terms consistent with the QSA and the Related Agreements and acceptable to the Parties."*

Section 8.1(e) is deleted.

Section 8.3 is modified by adding the following sentence to the end of § 8.3:

*"Notice by the IID that costs exceed the applicable specified caps shall be provided to the Authority within fifteen (15) days of such determination being made by the IID, and the Authority shall provide notice within forty-five (45) days of receiving such notice from the IID that the Authority will contribute the additional costs as allowed, if the Authority should chose to do so. This condition may also be satisfied by funding commitments made by the Authority, CVWD and the State of California pursuant to the terms of the ECSA and the QSA-JPA."*

## **Article 9**

New Section 9.3 is added in its entirety as follows:

*"9.3 State Contributions and State Loan Guarantee Condition Precedent. By October 31, 2003, the State Contributions and State Loan Guarantee, as defined in the ECSA, must have been committed for the benefit of the IID and others as set forth in the ECSA."*

New Section 9.4 is added in its entirety as follows:

*"9.4 Contracting Landowner Condition Precedent. By October 31, 2003, the IID shall enter into contracts with the Landowners conditioned on the QSA, Related Agreements and the Secretarial Implementation Agreement, all being in the form approved by the IID, the effectiveness of the Fourth Amendment, and Section 9.3 having been satisfied, and that call for, and are expected to yield when the Water Conservation efforts have been fully implemented, at least one hundred thirty thousand (130,000) AFY of Conserved Water. IID shall commence a solicitation process for Landowner contracts as soon as reasonably practical following successful negotiation and documentation of the QSA, Related Agreements and the Secretarial Implementation Agreement, and which solicitation process shall attempt in good faith to be successfully concluded within five (5) months of commencement."*

## **Articles 10 to 13**

No change.

## **Article 14**

Section 14.2 is amended by the temporary deletion of the last sentence of Section 14.2 until January 1, of Agreement Year 16 as follows:

*"Notwithstanding the foregoing, fallowing will be a permitted Water Conservation effort under IID contracts with its Contracting Landowners through Agreement Year 15. When IID is relieved of its obligation to transfer Conserved Water to the Authority by means of fallowing, IID and the Authority shall promptly meet and negotiate in good faith a reasonable schedule for IID to shift the creation of Conserved Water from fallowing to efficiency-based conservation. IID is "relieved of its obligation" when, without cost or expense to the IID, an environmental assessment of the impacts of the conversion from fallowing to efficiency under CEQA and NEPA is completed, along with all*

*necessary governmental permits and approvals (including, to the extent required, the approval of CDFG, USFWS and SWRCB), and no additional environmental mitigation attributable to the impacts of the conversion is required, or if additional environmental mitigation is required, the costs of such additional environmental mitigation shall be the sole responsibility of the Authority for any amounts that such environmental mitigation costs are in excess of the Environmental Mitigation Cost Limitation, as defined in the QSA-JPA."*

New Section 14.3 is added in its entirety as follows:

*"14.3 Protection of IID Water Supply. During the Term of this Agreement, the Authority shall not, in any way pursue any legislative, administrative or judicial proceeding, or take any other action that could or would reduce IID's Senior Water Rights or IID's right to divert and use Colorado River water thereunder.*

New Section 14.4 is added in its entirety as follows:

*"14.4 Fallowing Protection for IID. During the term of this Agreement and for six (6) years thereafter, the Authority covenants that in any legislative, administrative, or judicial proceeding involving an evaluation or assessment of IID's use of water, the Authority shall conclusively presume that any water conserved through fallowing for either (a) transfer to the Authority or (b) used by IID to lessen environmental impacts caused by or related to the transfer of Conserved Water to the Authority, has been conserved by IID in the same volume as if conserved by efficiency improvements, such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields. The Authority further covenants that it hereby supports IID in seeking to cause any legislative, administrative or judicial body evaluating or assessing IID's use of water during the Term of this Agreement and for six (6) years thereafter to make the same conclusive presumption. In addition, the Authority also covenants that during the Term of this Agreement and for six (6) years thereafter, the Authority shall not in any way seek or support, including any activity before any legislative, administrative or judicial body, (a) the creation of Conserved Water for transfer by IID after December 31, 2017 through the use of temporary or permanent fallowing or crop rotation or (b) the use by IID of its Senior Water Rights or IID created Conserved Water to lessen the environmental impacts on the Salton Sea or related to a decline in the elevation of the Salton Sea resulting from the transfer of Conserved Water by the IID to the Authority. The Authority acknowledges and hereby supports the right of the IID to create all*

*Conserved Water after Agreement Year 15 by efficiency improvements as reflected on the Compromise IID/SDCWA and QSA Delivery Schedule attached hereto as Exhibit 1 without creating or providing any water to lessen environmental impacts on the Salton Sea or related to a decline in the elevation of the Salton Sea. "*

New Section 14.5 is added in its entirety as follows:

*"14.5 Mitigation of Socio-Economic Impacts Caused by Land Fallowing. IID shall exercise best efforts to minimize socioeconomic impacts from the land fallowing necessary to transfer Conserved Water to the Authority and to lessen environmental impacts related to the transfer of Conserved Water to the Authority. In designing and implementing the fallowing program, IID shall further seek to facilitate the voluntary, broad-based participation by farmers to meet the IID's long-term water delivery requirements to the Authority. The Authority and IID agree that this Section 14.5 shall apply only to socioeconomic impacts attributable to the land fallowing conducted for transfer of Conserved Water to the Authority pursuant to this Agreement, and to lessen environmental impacts related to such transfers.*

*(a) Resolution of Disagreement Among the Parties Concerning the Socioeconomic Impacts Caused by Land Fallowing. IID and the Authority have a fundamental disagreement concerning the likely socioeconomic impacts caused by land fallowing to transfer Conserved Water to the Authority or to lessen environmental impacts related to the transfer of Conserved Water to the Authority. In order to avoid this disagreement from preventing the use of land fallowing, IID and the Authority have agreed that IID shall cause to be established no later than October 12, 2003, a Local Entity that will administer the receipt and disbursement of socioeconomic impact payments made by the Authority and IID.*

*(i) Establishment of Local Entity. IID shall cause the Local Entity to be established after consultation with the County of Imperial and other Imperial Valley local interests. The Local Entity's governance powers, reporting obligations and other relevant matters shall require the Local Entity to use the financial resources made available by the Authority and IID to*

*mitigate the socioeconomic impact of land fallowing with transparency and at reasonable administrative costs.*

- (ii) *Entity Operations.* *The Local Entity shall be operated with maximum efficiency to avoid incurring significant administrative costs. It shall not own real property or employ a full time staff. Staff (other than ministerial staff) will be provided as needed for free by the IID and the County of Imperial.*

(b) *Funding of Local Entity.* *The Authority and IID shall make the following socioeconomic impact payments to the Local Entity to mitigate both the socioeconomic impacts of land fallowing used to create Conserved Water to transfer to the Authority and to lessen environmental impacts related to the transfer of Conserved Water to the Authority, as identified pursuant to § 14.5(d) below and to cover reasonable administrative costs of the Local Entity.*

- (i) *Local Entity's Funding Requirements.* *The Local Entity shall receive socioeconomic impact payments from the Authority and the IID sufficient to pay the estimated and measured annual and cumulative socioeconomic impacts of land fallowing and reasonable costs of administration. The cost of administration shall include the cost of the studies and measurements undertaken by the Economists Panel as specified below in § 14.5(c).*

- (ii) *Authority's Initial Socioeconomic Impact Payment.* *The Authority shall pay the Local Entity an Initial Socioeconomic Impact Payment equal to the sum of ten million dollars (\$10,000,000) in nominal Dollars to the Local Entity in four installment payments. The first installment payment shall be paid to the Local Entity on or before thirty (30) days from the Effective Date in the amount of one hundred thousand (\$100,000) in nominal Dollars. The first installment is anticipated to cover the initial administrative expenses. The second*

*installment payment shall be paid by the Local Entity by December 31, 2004, in the amount of two million dollars (\$2,000,000) in nominal Dollars, plus interest from the Effective Date at an annual rate based on the one-year Treasury Note Rate on the Effective Date. The third installment payment shall be paid to the Local Entity by December 31, 2005, in the amount of three million dollars (\$3,000,000) in nominal Dollars, plus interest from the Effective Date at an annual rate based on the two-year Treasury Note Rate on the Effective Date. The fourth installment payment shall be paid to the Local Entity by December 31, 2006, in the amount of four million dollars and nine hundred thousand dollars (\$4,900,000) in nominal Dollars, plus interest from the Effective Date at an annual rate based on the three-year Treasury Note Rate on the Effective Date. Notwithstanding the above schedule of installment payments, the Authority shall accelerate any of the payments of the Initial Socioeconomic Impact Payment amount as necessary to assure that the funds available to the Local Entity are sufficient for the disbursements reasonably necessary to address the estimated and measured annual and cumulative socioeconomic impacts and reasonable administrative costs.*

- (iii) IID Funding of the Local Entity. Starting in Agreement Year 8, IID shall pay the Local Entity by July 31 of each Year socioeconomic impact payments equal to five percent (5%) of the annual contract payments made by the Authority to the IID until IID's cumulative socioeconomic impact payments to the Local Entity equal ten million dollars (\$10,000,000) in nominal Dollars.*
- (iv) Authority's Subsequent Socioeconomic Impact Payments. The Authority shall pay all further socioeconomic impact payments due to the Local Entity in excess of the*



*Authority's Initial Socioeconomic Impact Payment and the monies available from IID's Funding of the Local Entity specified in § 14.5(b)(iii). The Authority shall make Subsequent Socioeconomic Impact Payments by June 30 of each Year to assure that the funds available to the Local Entity are sufficient for the disbursements reasonably necessary to address the estimated and measured annual and cumulative socioeconomic impacts and reasonable administrative costs.*

- (v) *IID's Reimbursement of the Authority's Initial Socioeconomic Impact Payment.* *Starting in Agreement Year 16 and continuing through Agreement Year 45, IID shall credit against the payment otherwise due from the Authority in an amount equal to ten millions dollars (\$10,000,000) in nominal Dollars divided by the cumulative amount of water scheduled for delivery to the Authority between Agreement Year 16 and Agreement Year 45 as of Agreement Year 16. If the 1998 Agreement between IID and the Authority terminates before Agreement Year 45, the Authority has no right to receive any further reimbursement upon or after the termination for any unreimbursed portion of the Authority's Initial Socioeconomic Impact Payment.*
- (vi) *Refund of Any Excess Authority Socioeconomic Impact Payments.* *After Agreement Year 15, or within 24 months after following pursuant to this Section 14.5 has ceased, whichever is earlier, the Local Entity shall determine the amount, if any, the Authority's Cumulative Socioeconomic Impact Payments exceeds the difference between the Local Entity's cumulative funding requirements and IID's cumulative funding of the Local Entity. The Local Entity shall reimburse the Authority for the amount of any excess by the end of Agreement Year 16, or within 36 months*

*after fallowing pursuant to this Section 14.5 has ceased, whichever is earlier..*

- (vii) Annual Reporting to the Authority. Within ninety (90) days after the end of an Agreement Year, the Local Entity shall prepare and publish an annual report of the Local Entity's receipts and disbursements and prepare a budget for the administrative costs of the Local Entity for the following Agreement Year.*

*(c) Estimation and Measurement of the Socioeconomic Impacts of Land Fallowing. The annual and cumulative socioeconomic impacts shall be estimated and measured by a Socioeconomic Methodology based on a Regional Economic Model, a longitudinal study and consideration of economic data of the IID and Imperial County in accordance with the following procedure:*

- (i) Economists Panel. As soon as reasonable after the Effective Date, a three-person panel of professional economists shall be formed with the responsibility to establish a Socioeconomic Methodology to estimate and measure the annual and cumulative socioeconomic impacts of land fallowing based on procedures to be developed for combining evidence from the different approaches specified in § 14.5(c)(iii-vi) below.*
- (ii) Appointment of Panel Members. One professional economist representative shall be appointed by the Local Entity, one by the Authority, and the third by the mutual consent of the Local Entity's and the Authority's representatives. The Local Entity's and the Authority's representatives shall serve at the pleasure of the appointing entity. The third representative shall serve a term of one-year. The third representative may be re-appointed by the mutual consent of the Local Entity's representative and the Authority's representative.*

- (iii) Responsibility of Economist Panel. The panel shall be responsible for developing and implementing a Socioeconomic Methodology based on a Regional Economic Model and corroborating studies as described below.
- (iv) Development of Regional Economic Model. The panel shall develop the Regional Economic Model, including the key parameters, the necessary inputs to the model and the method of determining proper measurements based upon credible available information. The panel shall also develop the method of measuring and estimating socioeconomic impacts and the method of corroborating estimated socioeconomic impacts with credible evidence from countywide economic data and longitudinal studies, in a manner consistent with the Guidelines for Estimation and Measurement and in accordance with the Timeline for the Implementation of Defined Tasks as set forth in Exhibit 2 attached hereto.
- (v) Periodic Adjustments to Regional Economic Model. The panel shall make periodic adjustments to the Regional Economic Model based upon credible available information and methods developed by the panel in accordance with the Guidelines for Estimation and Measurement. Periodic adjustments may be made, including but not limited to changes in the amount of acreage fallowed, cropping patterns, crop prices, crop yields, spending patterns, and other economic factors.
- (vi) Corroborating Studies. The panel shall direct the corroborating studies. Before IID initiates land fallowing to make Conserved Water available for transfer to the Authority, the panel shall initiate a longitudinal analysis of socioeconomic impacts. Within two years from the date fallowing is initiated by IID, the panel will

*assess whether the longitudinal study provides credible evidence that adjustments should be made to the socioeconomic impacts estimated by the Regional Economic Model. If adjustments are warranted, the panel shall adjust the socioeconomic impacts in accordance with methods consistent with the Guidelines for Estimation and Measurement.*

- (vii) Panel Meetings. The panel shall meet as frequently as necessary to carry out its responsibilities. A meeting shall be convened at the request of any representative.*
- (viii) Deadline for Initial Findings. The panel shall present its initial assessment of the estimated annual and cumulative socioeconomic impacts of land following to the Local Entity and the Authority no later than June 1, 2004.*
- (ix) Annual Reporting. The panel shall report annually by June 1 of each Year to the Local Entity and the Authority on updated estimated and measured annual and cumulative socioeconomic impacts of land following.*
- (d) Disbursements. The Local Entity shall use the Socioeconomic Impact Payments paid by the Authority and the IID to pay the costs of mitigating the estimated and measured annual and cumulative socioeconomic impacts of land following and reasonable administrative costs of the Local Entity. Except for the expenditure of the one hundred thousand dollars (\$100,000) made available through the first installment payment of the Authority's Initial Socioeconomic Impact Payment and the funds necessary for reasonable administrative expenses, the Local Entity shall make future disbursements in accordance with an approved budget and economic mitigation plan. The economic mitigation plan shall be developed in consultation with the State of California Resources Agency, Department of Food and Agriculture, Department of Commerce, and Department of Finance.*

- (e) Dispute Resolution. *If a dispute arises concerning the funding, disbursement or measurements of the socioeconomic impacts of land fallowing, the Local Entity and the Authority shall settle the matter by binding arbitration utilizing a process parallel to that set out in § 17.4, 17.5 and 17.7, except as set forth below:*
- (i) Meet and Confer Obligation. *Before submitting a dispute to arbitration, the Local Entity and the Authority shall meet and confer in an attempt to resolve the dispute. No Administrative Committee shall be created or involved.*
  - (ii) Appointments to Arbitration Panel. *The Local Entity shall be entitled to appoint one arbitrator. The Authority shall be entitled to appoint one arbitrator. The two arbitrators appointed by the entities shall appoint a third arbitrator by mutual agreement.*
  - (iii) Decision of Arbitration Panel. *The arbitration panel shall use to the maximum extent practicable the principles and methods contained in the Measurement Guidelines to rule on the dispute submitted for arbitration. The decision issued by the arbitration panel shall be final.*
- (f) Coordination with SB 277 (2003 Stats. ch. 611). *The Local Entity and the Authority shall coordinate the efforts of the panel regarding the initial assessment of the estimated annual and cumulative socioeconomic impacts from land fallowing with the process required by section 9 of Chapter 617 of the 2002 Statutes as amended. The panel shall coordinate its efforts with the State of California Resource Agency, Department of Food and Agriculture, Department of Commerce, and Department of Finance in order to avoid duplication of effort and inconsistent results. To the extent practicable, the panel shall obtain relevant data from these departments and agency.*
- (g) Socioeconomic Litigation. *To the extent litigation is commenced against the IID, the Authority, the Local Entity or the panel, the Authority and Local Entity shall*

*cooperate and coordinate the defense of such litigation, and all costs of defense and any judgment resulting shall be treated as, and paid for, the same as a reasonable administrative cost of the Local Entity.*

New Section 14.6 is added in its entirety as follows:

*"14.6 Settlement and Efficiency Conservation Opportunity Payment. In consideration of (i) the settlements reached with CVWD and MWD through the QSA, and (ii) the opportunity to increase the conservation ramp-up schedule and utilize conservation methods of IID's choice, including efficiency conservation, as set forth in the IID/DWR Agreement, IID shall pay to the QSA-JPA twenty-four million dollars (\$24,000,000) in Effective-Date Dollars, on the schedule attached as an exhibit to the QSA-JPA."*

### **Article 15**

Section 15.2(a) is amended to read in its entirety as follows:

*"(a) Transfer. The IID fails to transfer Conserved Water or Early Transfer Water in the quantities and on the schedule specified in this Agreement or this Amendment."*

### **Article 18**

Section 18.1 is amended to add the following sentence:

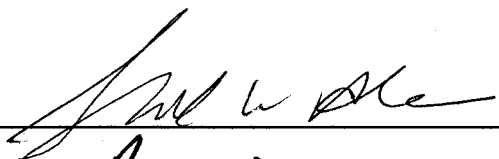
*"Notwithstanding anything to the contrary, the Local Entity referenced in § 14.5 shall be a third-party beneficiary of the Agreement for purposes of the provisions of § 14.5, and if the Local Entity is unable to exercise any rights as a third-party beneficiary, the County of Imperial is authorized to act in its stead."*


**Exhibits**

Exhibit K to the 1998 IID/SDCWA Transfer Agreement is hereby replaced with the Colorado River Water Delivery Agreement as identified in the QSA.


IN WITNESS WHEREOF, IID and Authority have executed this Fourth Amendment as of the day and year first written above.

IMPERIAL IRRIGATION DISTRICT

By   
Its PRESIDENT

By   
Its CHIEF COUNSEL

SAN DIEGO COUNTY WATER  
AUTHORITY

By   
Its GENERAL MANAGER

**EXHIBIT 1**  
**COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE**

Agmt Yr	Cal Yr	IID/SD (KAF)	IID/CVWD (KAF) <sup>1</sup>	IID/MWD (KAF)	Total Delivery (KAF)	Total Efficiency (KAF)	Fallowing for Delivery (KAF)	Mitigation Fallowing (KAF)	Total Fallowing (KAF)
1	2003	10	0	0	10	0	10	5	15
2	2004	20	0	0	20	0	20	10	30
3	2005	30	0	0	30	0	30	15	45
4	2006	40	0	0	40	0	40	20	60
5	2007	50	0	0	50	0	50	25	75
6	2008	50	4	0	54	4	50	25	75
7	2009	60	8	0	68	8	60	30	90
8	2010	70	12	0	82	12	70	35	105
9	2011	80	16	0	96	16	80	40	120
10	2012	90	21	0	111	21	90	45	135
11	2013	100	26	0	126	46	80	70	150
12	2014	100	31	0	131	71	60	90	150
13	2015	100	36	0	136	96	40	110	150
14	2016	100	41	0	141	121	20	130	150
15	2017	100	45	0	145	145	0	150	150
16	2018	130	63	0	193	193	0	0	0
17	2019	160	68	0	228	228	0	0	0
18	2020	192.5	73	2.5	268	268	0	0	0
19	2021	205	78	5.0	288	288	0	0	0
20	2022	202.5	83	2.5	288	288	0	0	0
21	2023	200	88	0	288	288	0	0	0
22	2024	200	93	0	293	293	0	0	0
23	2025	200	98	0	298	298	0	0	0
24	2026	200	103	0	303	303	0	0	0
25	2027	200	103	0	303	303	0	0	0
26	2028	200	103	0	303	303	0	0	0
27-45	2029-2047	200	103	0	303	303	0	0	0
46-75	2048-2077	200	50	0	250	250	0	0	0

<sup>1</sup> or MWD if CVWD declines to acquire.



## **Exhibit 2**

### **Guidelines for Estimation and Measurement of Socioeconomic Impacts and Timeline For Implementation of Defined Tasks**

IID and the Authority have a fundamental disagreement concerning the likely socioeconomic impacts caused by land fallowing to transfer Conserved Water to the Authority or to lessen environmental impacts related to the transfer of Conserved Water to the Authority. The major source of this disagreement relates to different expectations regarding the crops likely to be fallowed. Other sources of potential disagreement involve the proper estimation and measurement of the economic impact of the crops actually fallowed on the economy of Imperial Valley.

The purpose of this Exhibit 2 is to provide guidelines for the estimation and measurement of socioeconomic impacts from land fallowing and to establish the timeline for implementation of defined tasks assigned to the Economists Panel ("Panel") established pursuant to Section 14.5(c). The Panel shall conduct its studies in accordance with the guidelines and timelines presented below.

#### **Estimation and Measurement of Socioeconomic Impacts**

The Panel shall develop and implement a Socioeconomic Methodology to estimate and measure the annual and cumulative socioeconomic impacts of land fallowing through the development and use of a Regional Economic Model, as corroborated by evidence from available data on countywide economic conditions and supplemental economic studies of the income and employment of third parties, and evaluated for reliability by standard sensitivity analysis techniques.

1. *Regional Economic Model.* Regional Economic Model shall be based on any necessary adjustments of the standard IMPLAN Model for the specific economic circumstances of Imperial County and shall include the following considerations in the construction of the Social Accounting Matrix (SAM):
  - (a) The Panel shall identify the major industries in Imperial County and eliminate any sectors not relevant to the Imperial County economy from the national version of IMPLAN.
  - (b) The Panel shall review and adjust, where necessary, the pattern of industry purchases of capital, labor and intermediate goods to reflect any differences between the structure of the economy of Imperial Valley and the structure of the SAM of the national version of IMPLAN. In considering adjustments to the coefficients of the agricultural sector, the Panel shall consider relevant data available from California and Arizona cooperative extension reports, direct survey evidence, and other credible sources.

- (c) The Panel shall consider adjustments to the national expenditure coefficients from the national version of IMPLAN based on credible information pertaining to the expenditure patterns of recipients of capital and labor income in Imperial County.
  - (d) The Panel shall consider adjustments to the local and state government coefficients in the national version of IMPLAN based on credible information available from Imperial County governmental agencies and the California Franchise Tax Board.
  - (e) The Panel shall balance any adjustments made to the SAM by a commonly accepted method.
2. *Estimation of Socioeconomic Impacts.* The Panel shall use the Regional Economic Model to estimate the annual and cumulative third party socioeconomic impacts of land fallowing for the specific circumstances of Imperial County including the following considerations:
- (a) Third-party impacts are defined as (i) changes in the after-tax income of individuals or entities residing in Imperial County not participating in the IID land fallowing program; and (ii) changes in the tax receipts of local governments within Imperial County.
  - (b) The Panel's determination of the crop acreage fallowed under the IID fallowing program shall be based on a negotiated method of utilizing information from cropping history of land fallowed, cropping patterns after land re-enters production, and other relevant information related to the economic conditions of crop markets and other relevant factors influencing cropping patterns.
  - (c) The Panel's determination of crop yields for land fallowed shall be based on a negotiated method using average crop yields in Imperial Valley as adjusted by credible evidence indicating that the crop yields of fallowed lands are expected to differ from average countywide crop yields.
  - (d) The Panel's determination of crop revenues from fallowed land shall be based on the average price for the crop fallowed (unless credible evidence can be generated regarding crop prices on fallowed lands) and the adjusted crop yield of fallowed land determined pursuant to 2(c).
  - (e) Determination of socioeconomic impact of land fallowing shall also consider the economic stimulus within Imperial County from contract payments received for land fallowing. The Panel's determination shall consider the implications of the mix of resident/nonresident landowners participating in the land fallowing program and the landowner/tenant split of IID land fallowing payments. The estimate of the economic stimulus shall also consider pro forma income tax liabilities of recipients of IID land fallowing payments. The Panel shall develop a

method for annualizing any up front payments receipts by participants in an IID land fallowing program. The Panel shall also consider how the recipient of any up front payments may affect savings and current consumption and the pattern of expenditures. If there is credible evidence that recipients of IID land fallowing payments would invest in farming capital, then the Panel shall consider the impact of such investment on the economy of Imperial Valley.

- (f) Estimates of the impacts of land fallowing shall also include the stimulus effect of other components of IID land fallowing program, including dust/weed mitigation, IID program administration and environmental mitigation. Impact measurement shall also consider the stimulus effect of government grants for public works and business investment programs to facilitate economic development, but only if made available primarily to offset the socioeconomic impacts of land fallowing.
  - (g) Estimates of the impact of IID land fallowing on local tax revenues shall consider the impact of the IID land fallowing program on local tax bases.
  - (h) Determination of socioeconomic impact of land fallowing shall also consider credible evidence concerning the impact of the land fallowing program on land productivity.
  - (i) Calculation of socioeconomic impacts shall also include a sensitivity analysis of model outputs using a method to be negotiated. Sensitivity analysis is intended to assess the credibility of model outputs resulting from uncertainties about the value of key parameters in the regional economic model. Analysis may also consider qualitative factors such as specification of production functions, role of technological change and other capital investments, and other factors.
3. *Comparison of Estimated Impacts with County Economic Statistics.* Estimates of the socioeconomic impacts of land fallowing shall be corroborated with a negotiated method of examining evidence from countywide economic data on income, employment, and other relevant economic data. The negotiated method shall consider the statistical validity of testing the estimated magnitude of the socioeconomic impacts of land fallowing with countywide data. If the examination of county economic statistics provides statistically reliable information that the estimates from the Regional Economic Model are materially inaccurate, then the Panel shall make any necessary adjustments to the Regional Economic Model.
4. *Longitudinal Analysis.* The longitudinal study undertaken pursuant to Section 14.5(c)(vi) shall consider individuals providing labor and material

inputs to farmers in the Imperial Valley. The study shall examine the incidence and duration of unemployment resulting from fallowing, any adjustments made by businesses providing agricultural services, and other factors. Any credible evidence from longitudinal studies shall be considered in determining whether there should be an adjustment in the funding requirements of the Local Entity.

### **Timeline for Implementation of Defined Tasks**

The Panel shall conduct their studies within the timelines presented below.

1. *Development of Regional Economic Model.* The Panel shall complete the development of the Regional Economic Model based on any adjustments made pursuant to 1(a)-(e) above within 45 Calendar Days of the commencement of work.
2. *Development of Necessary Methods to Estimate Socioeconomic Impacts.* Within 60 Calendar Days of the commencement of work, the Panel shall submit to the Local Entity and the Authority a written report summarizing the design and identification of necessary information for the methods required above for the estimation of socioeconomic impacts of land fallowing, including:
  - a. the method and information to be used in determining crop acreage fallowed in accordance with Section 2(b)(above);
  - b. the method and information to be used to adjust crop yields for specific lands fallowed relative to the countywide average of crop yields in accordance with 2(c) above;
  - c. any evidence to be relied up to estimate that crop prices for fallowed lands differ from countywide average crop prices in accordance with 2(d) above,
  - d. the methods and information to be used to estimate the economic stimulus within Imperial County from contract payments made for land fallowing in accordance with 2(e) above;
  - e. the methods and information to be used to estimate the economic stimulus from other components of IID fallowing in accordance with 2(f) above;
  - f. the methods and information to be used to estimate the impact of IID land fallowing on local tax revenues in accordance with 2(g) above;
  - g. the methods and information to be used to consider the impact of land fallowing on land productivity in accordance with 2(h) above;
  - h. the specification of the procedures to be relied upon to conduct the sensitivity analyses in accordance with 2(i) above; and
  - i. identification of the specific economic statistics and methods to be used to corroborate the estimated socioeconomic impacts of land fallowing in accordance with 3 above.

3. *Initiation of Longitudinal Study.* Within 75 Calendar Days of the commencement of work, the Panel shall submit to the Local Entity and the Authority a written report describing the study design, anticipated budget, and timing of the longitudinal study to be undertaken pursuant to Section 14.5(c)(vi). The Local Entity and the Authority must approve the proposed study before the Panel can proceed with its study plans.
4. *Initial Estimates of the Annual and Cumulative Socioeconomic Impact of Land Fallowing.* Within 120 Calendar Days of the commencement of work, the Panel shall provide the Local Entity with a draft report of the estimated Annual and Cumulative Impact of Land Fallowing through Agreement Year 15. The report shall discuss how information expected to become available in subsequent years may require adjustments to the Panel's initial estimates.
5. *Annual Reporting.* The Panel shall submit an annual report on updated estimated and measured socioeconomic impacts of land fallowing as provided in Section 14.5(c)(ix). The annual report shall include a written work plan and proposed budget for the Panel's activities in the following fiscal year.

**AMENDED AND RESTATED AGREEMENT BETWEEN THE  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
AND THE SAN DIEGO COUNTY WATER AUTHORITY  
FOR THE EXCHANGE OF WATER**

THIS AMENDED AND RESTATED AGREEMENT FOR THE EXCHANGE OF WATER ("Agreement") is made and entered into as of October 10, 2003, between The Metropolitan Water District of Southern California (hereinafter "Metropolitan") and the San Diego County Water Authority (hereinafter "SDCWA"). Metropolitan and SDCWA are sometimes referred to as the "Parties".

**RECITALS**

A. SDCWA is a county water authority incorporated under the California County Water Authority Act, Stats. 1943, c.545 as amended, codified at Section 45-1 *et seq.* of the Appendix to the California Water Code, for the purpose of providing its member agencies in San Diego County with a safe, reliable, and sufficient supply of imported water.

B. Metropolitan is a public agency of the State of California incorporated under the Metropolitan Water District Act, Stats. 1969, ch. 209, as amended, codified at Section 109.1 *et seq.* of the Appendix to the California Water Code, engaged in transporting, storing and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, within the State of California.

C. SDCWA is a member agency of Metropolitan.

D. On April 29, 1998, SDCWA and the Imperial Irrigation District (“IID”) entered into an Agreement for Transfer of Conserved Water, as amended by the Revised Fourth Amendment dated as of October 10, 2003, between SDCWA and IID (as thereby amended, the “Transfer Agreement”).

E. On November 10, 1998, SDCWA and Metropolitan executed a Contract for the Exchange of Water to be acquired by SDCWA under the Transfer Agreement; this Agreement amends and restates that Contract in its entirety.

F. This Agreement is one of several agreements executed and delivered as of the date hereof by the Parties and by other agencies, including IID, MWD and Coachella Valley Water District (“CVWD”), pursuant to the Quantification Settlement Agreement among IID, MWD and CVWD dated as of October 10, 2003 (the “QSA”), which settles a variety of long-standing disputes regarding the priority, use, and transfer of Colorado River water and establishes the terms for the further distribution of Colorado River water among these entities for up to seventy-five (75) years based upon the water budgets set forth therein.

G. Also, on October 10, 2003, as contemplated by the QSA, SDCWA entered into the Allocation Agreement with the United States of America, IID, CVWD, MWD and other parties named therein (the “Allocation Agreement”) pertaining to the allocation and distribution of water to be conserved from the All-American Canal Lining Project and the Coachella Canal Lining Project (as such terms are defined therein).

## **AGREEMENT**

NOW THEREFORE, the Parties in consideration of the foregoing recitals and the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, Metropolitan and SDCWA agree to the following terms and conditions of this Agreement:

### **I.**

#### **DEFINITIONS AND RULES OF CONSTRUCTION**

1.1 Definitions. As used in this Agreement these terms, including any grammatical variations thereof, have the following meanings:

- (a) “Administrative Code” means the Metropolitan Water District Administrative Code adopted on January 13, 1987, as amended from time to time thereafter, and as in existence on the date of this Agreement, subject to modification to the extent provided in Paragraph 13.12 of this Agreement.
- (b) “Allocation Agreement” is as defined in Recital G, subject to modification for purposes of this Agreement after the date hereof to the extent provided in Paragraph 13.13 of this Agreement.
- (c) "Alternative Facilities" means facilities other than facilities owned and operated by Metropolitan.
- (d) “Bureau” means the Bureau of Reclamation of the United States Department of the Interior.



(e) “California Plan” means the draft plan dated May 11, 2000, to ensure that California can live within the state’s apportionment of Colorado River water; provided, however, if any final California Plan is approved by the Colorado River Board of California and all the public agencies represented on the Colorado River Board of California, “California Plan” means such final California Plan.

(f) “Canal Lining Water” means the quantity of Colorado River water allocated each Year to SDCWA in accordance with the Allocation Agreement.

(g) "Colorado River Aqueduct" means the aqueduct system owned and operated by Metropolitan and transporting water from Lake Havasu on the Colorado River to Lake Mathews in Riverside County, California.

(h) "Conserved Water" means Conserved Water as such term is defined in Section 1.1 of the QSA.

(i) “Drought Management Plan” means any plan for the allocation and management of water resources of Metropolitan during a water shortage, as adopted by Metropolitan and in effect at pertinent times during the term of this Agreement.

(j) “Early Exchange Water” means the Exchange Water to be delivered by Metropolitan to SDCWA in exchange for Early Transfer Water to be Made Available by SDCWA to Metropolitan under this Agreement.

(k) “Early Transfer Water” means the aggregate ten thousand (10,000) acre-feet of Conserved Water to be transferred to SDCWA by IID in accordance with Section 3.5 of the Transfer Agreement.

(l) "Effective Date" means the Effective Date as such term is defined in Section 1.1 of the QSA.

(m) "Exchange Water" means, for each Year, water that is delivered to SDCWA by Metropolitan at the Metropolitan Point(s) of Delivery in a like quantity as the quantity of water that SDCWA has Made Available to Metropolitan under the Transfer Agreement and/or the Allocation Agreement and this Agreement for the same Year. The Exchange Water may be from whatever source or sources and shall be delivered using such facilities as may be determined by Metropolitan, provided that the Exchange Water delivered in each Year is of like quality to the Conserved Water and/or the Canal Lining Water which is Made Available to Metropolitan at the SDCWA Point of Transfer in such Year.

(n) "IID" is as defined in Recital D.

(o) "Implementation Agreement" is as defined in Section 1.1 of the QSA.

(p) "Interim Agricultural Water Program" means the program by that name for delivery of water for agricultural uses regulated in Sections 4900 to 4906 of the Administrative Code, including any successor program established by Metropolitan.

(q) "Local Water" means water supplies not served by Metropolitan. Such Local Water includes, for example, ground water, surface water production, recycled water, desalinated water and other water acquired, owned or produced by any of Metropolitan's member agencies, water retailers or other local agencies within

Metropolitan's service area (including supplies from projects participating in Metropolitan's Local Projects Program).

(r) "Made Available," "Make Available" or "Making Available." As used herein, Conserved Water and Canal Lining Water will be deemed to have been Made Available to Metropolitan when (1) such water has been transferred to SDCWA pursuant to the Transfer Agreement and/or allocated to SDCWA pursuant to the Allocation Agreement, (2) valid and continuing authorization has been given by the Bureau legally entitling Metropolitan to divert, for the Year in question, Conserved Water and/or Canal Lining Water at the SDCWA Point of Transfer, in addition to the water that Metropolitan is otherwise authorized to divert from the Colorado River, and (3) all other necessary legal rights, entitlements, approvals and permissions, under the laws of the United States and the State of California for diversions from the Colorado River by Metropolitan, if any, have been obtained and are in full force and effect. "Make Available" and "Making Available" are grammatical variations of "Made Available."

(s) Metropolitan Point(s) of Delivery is as defined in Paragraph 3.5(b).

(t) "Price" means the applicable amount to be paid per acre-foot of Exchange Water delivered by Metropolitan to SDCWA at the Metropolitan Point(s) of Delivery under this Agreement.

(u) "Price Dispute" is as defined in Paragraph 11.1.

(v) "SDCWA Point of Transfer" is as defined in Paragraph 3.5(a).

(w) "Secretary" means the United States Secretary of the Interior.

(x) "Termination Date" means the termination date determined under Paragraph 7.1, subject to the provisions of Paragraph 7.2.

(y) "Transfer Agreement" is as defined in Recital D, subject to modification to the extent provided in Paragraph 13.13 hereof.

(z) "Treated Exchange Water" means Exchange Water that has been treated by filtration and disinfection at a Metropolitan water filtration facility for direct delivery to SDCWA.

(aa) "Treatment Surcharge" means the rate(s), charge(s) and/or other fee(s) as determined pursuant to the Administrative Code for the provision of treated water service.

(bb) "Year" means the period commencing on the Effective Date and ending on the immediately following December 31 (the first (1<sup>st</sup>) Year), and each consecutive calendar year thereafter during the term of this Agreement.

## 1.2 Rules of Construction.

(a) Unless the context clearly requires otherwise:

- (i) The plural and singular forms include the other;
- (ii) "Shall," "will," "must," and "agrees" are each mandatory;
- (iii) "May" is permissive;
- (iv) "Or" is not exclusive;
- (v) "Includes" and "including" are not limiting; and
- (vi) "Between" includes the ends of the identified range.

(b) Headings at the beginning of Paragraphs and subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement and shall not be used in construing it.

(c) The masculine gender shall include the feminine and neuter genders and vice versa.

(d) The word “person” shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, water district and other entity of whatever nature, except either Metropolitan or SDCWA or an officer or employee thereof.

(e) Reference to any agreement (including this Agreement), document, or instrument means such agreement, document, instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

(f) Except as specifically provided herein, reference to any law, statute, ordinance, regulation or the like means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including any rules and regulations promulgated thereunder.

## II

### REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Metropolitan. As a material inducement to SDCWA to enter into this Agreement, Metropolitan represents and warrants as follows:

(a) Metropolitan is a metropolitan water district, duly organized, validly existing and in good standing under the laws of the State of California, and subject to satisfaction of Metropolitan's conditions precedent, as set forth in Paragraph 8.1 hereof, Metropolitan has all necessary power and authority to perform its obligations hereunder on the terms set forth in this Agreement, and the execution and delivery hereof by Metropolitan and the performance by Metropolitan of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Metropolitan is a party or by which Metropolitan is bound.

(b) Subject to the satisfaction of Metropolitan's conditions precedent, as set forth in Paragraph 8.1 hereof, this Agreement is a valid and binding obligation of Metropolitan, enforceable in accordance with its terms, subject to the requirements of applicable law.

2.2 Representations and Warranties of SDCWA. As a material inducement to Metropolitan to enter into this Agreement, SDCWA represents and warrants as follows:

(a) SDCWA is a county water authority, duly organized, validly existing and in good standing under the laws of the State of California, and subject to satisfaction of

SDCWA's conditions precedent as set forth in Paragraph 8.2 hereof, SDCWA has all necessary power and authority to perform its obligations hereunder on the terms set forth in this Agreement, and the execution and delivery hereof by SDCWA and the performance by SDCWA of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which SDCWA is a party or by which SDCWA is bound.

(b) Subject to the satisfaction of SDCWA's conditions precedent, as set forth in Paragraph 8.2, this Agreement is a valid and binding obligation of SDCWA enforceable in accordance with its terms, subject to the requirements of applicable law.

(c) SDCWA will have obtained such approvals and permissions as may be necessary, under applicable laws of the United States and the State of California, to Make Available to Metropolitan Conserved Water and Canal Lining Water pursuant to this Agreement.

### **III**

#### **QUANTITY, DELIVERY AND SCHEDULING**

##### **3.1 Conserved Water and Canal Lining Water.**

(a) SDCWA will Make Available the Conserved Water and/or the Canal Lining Water to Metropolitan at the SDCWA Point of Transfer each Year, in the manner set forth below. The quantity of Conserved Water and/or Canal Lining Water Made Available to Metropolitan by SDCWA at the SDCWA Point of Transfer each Year shall be the lesser of: (1) the sum of the quantity of water which IID transfers to SDCWA

under the Transfer Agreement in such Year and the quantity of Canal Lining Water allocated to SDCWA under the Allocation Agreement in such Year; or (2) 277,700 acre feet. The Conserved Water and/or the Canal Lining Water Made Available in each Year shall be deemed to have been Made Available to Metropolitan in monthly installments, with one-twelfth (1/12) of such water deemed to have been Made Available in each calendar month of such Year (provided that, in the first Year, the quantity of such water deemed to have been Made Available in each month shall be determined by dividing the total quantity for that Year by the number of calendar months or portions thereof in that Year).

(b) SDCWA will also Make Available to Metropolitan, in the manner set forth in subparagraph (a) above, the Early Transfer Water, in three annual installments as follows:

In calendar year 2020	2,500 acre-feet
In calendar year 2021	5,000 acre-feet
In calendar year 2022	2,500 acre-feet

(c) SDCWA will provide to Metropolitan annual written notice by November 1<sup>st</sup> each Year (or, in the case of the first Year, reasonable advance written notice) of the quantity of Conserved Water (including Early Transfer Water, if applicable) to be transferred to SDCWA in accordance with the Transfer Agreement, and of the quantity of Canal Lining Water to be allocated to SDCWA in accordance with the Allocation Agreement, and in each case to be Made Available to Metropolitan at the



SDCWA Point of Transfer during the immediately following Year. The Conserved Water and/or the Canal Lining Water will be Made Available to Metropolitan by SDCWA in a manner consistent with the Bureau's operations schedule and will be measured as provided in Paragraph 3.4.

3.2 Exchange Water.

(a) Provided that the Conserved Water (including Early Transfer Water, if applicable) and/or the Canal Lining Water has been Made Available to Metropolitan at the SDCWA Point of Transfer pursuant to Paragraph 3.1, Metropolitan shall deliver Exchange Water (including Early Exchange Water, if applicable) to SDCWA at the Metropolitan Point(s) of Delivery, in compliance with this Agreement, and in the manner and to the extent set forth below. In any Year, Metropolitan will not be required to deliver an amount of Exchange Water that is greater than the aggregate amount of Conserved Water (including Early Transfer Water, if applicable) and Canal Lining Water Made Available to Metropolitan in that Year pursuant to Paragraph 3.1, subject to the provisions of subparagraphs (b) and (c) of Paragraph 7.2.

(b) Metropolitan's delivery of Exchange Water at the Metropolitan Point(s) of Delivery shall be governed by its rules and regulations for delivery of water set forth in Chapter 5 of Division IV of the Administrative Code in the same manner as other water delivered by Metropolitan, except as may otherwise be provided in this Agreement.

(c) The Exchange Water to be delivered in any Year shall be delivered in approximately equal monthly installments over the Year so that at the end of the twelfth

month the aggregate quantity of Exchange Water delivered by Metropolitan will be equal to the aggregate quantity of Conserved Water (including Early Transfer Water, if applicable) and Canal Lining Water Made Available to Metropolitan at the SDCWA Point of Transfer for that Year, or at the times and in the amounts as the Parties may otherwise agree.

(d) In the event that the delivery of Exchange Water to the Metropolitan Point(s) of Delivery is temporarily suspended or interrupted during any Year pursuant to Paragraph 3.3 below, the remaining quantity of Exchange Water to be delivered for such Year will be delivered by Metropolitan ratably over the remainder of such Year or as otherwise agreed by the Parties.

(e) Metropolitan shall have the right to deliver Exchange Water utilizing such facilities and by such delivery path as shall be determined by Metropolitan at its sole discretion. Utilization of a particular delivery path for any such delivery shall not operate as or be deemed to be a commitment to utilize the same delivery path for any future delivery. Metropolitan has not dedicated and shall not be deemed or construed to have dedicated any particular facilities for delivery of the Exchange Water.

3.3 Temporary Shutdown of Metropolitan Facilities. Metropolitan's Chief Executive Officer shall have the right to control, curtail, interrupt or suspend the delivery of Exchange Water to SDCWA in accordance with the Administrative Code. SDCWA understands that any number of factors, including emergencies, inspection, maintenance or repair of Metropolitan facilities or the State Water Project facilities, may result in a temporary and incidental

modification of the delivery schedule contemplated in Paragraph 3.2. Metropolitan shall notify SDCWA of any control, curtailment, interruption or suspension of delivery of Exchange Water in accordance with and to the extent set forth in the Administrative Code, as if the Exchange Water were water served by Metropolitan. Metropolitan agrees that delivery of Exchange Water shall be resumed as soon as possible following any such curtailment, interruption or suspension of delivery. Unless Metropolitan is otherwise relieved of its obligations under the provisions of this Agreement, a curtailment, interruption or suspension of the delivery of Exchange Water pursuant to this Paragraph 3.3 shall not change the amount of Exchange Water Metropolitan is obligated to deliver during any Year.

3.4 Measurement of Deliveries. The quantity of Exchange Water delivered in each Year by Metropolitan at the applicable Metropolitan Point(s) of Delivery, which amount will be metered at such Point(s) of Delivery as provided in the Administrative Code, shall be equal to the aggregate quantity of Conserved Water (including Early Transfer Water, if applicable) and Canal Lining Water Made Available to Metropolitan in such Year at the SDCWA Point of Transfer. The Parties agree that they will be bound by such meter readings.

3.5. Points of Transfer or Delivery.

(a) The SDCWA Point of Transfer. As used herein, the “SDCWA Point of Transfer” shall be Metropolitan’s intake at Lake Havasu.

(b) The Metropolitan Point(s) of Delivery. As used herein, the “Metropolitan Point(s) of Delivery” shall be any or all San Diego Pipelines One through Five (inclusive)

or at similar facilities that may be constructed in the future at a point near the San Luis Rey River in Northern San Diego County.

3.6 Quality of Exchange Water. Metropolitan in its sole discretion shall have the right to deliver Exchange Water of a quality which exceeds the quality of the Conserved Water and/or Canal Lining Water which Metropolitan receives, and such Exchange Water shall fully satisfy Metropolitan's obligation to deliver Exchange Water of like quality to such Conserved Water and Canal Lining Water. In such event, Metropolitan's election shall not operate as or be construed to be a commitment to deliver Exchange Water of better quality in the future, and in no event shall SDCWA be deemed to have any right to receive Exchange Water of better quality than the Conserved Water and/or Canal Lining Water.

3.7 Alternative Facilities. SDCWA may determine, in its sole discretion, permanently to reduce the aggregate quantity of Conserved Water and Canal Lining Water to be Made Available to Metropolitan under this Agreement to the extent SDCWA decides continually and regularly to transport Conserved Water and/or Canal Lining Water in an amount equal to such reduction in quantity to San Diego County through Alternative Facilities; provided, however, that SDCWA shall furnish to Metropolitan a minimum of five (5) years' advance written notice of such determination. The written notice shall confirm the quantity of Conserved Water and/or Canal Lining Water (if any) which SDCWA will continue to Make Available to Metropolitan. If SDCWA exercises its right under this Paragraph 3.7, Metropolitan's obligation to deliver Exchange Water shall be limited to that specified quantity of Conserved Water and/or

Canal Lining Water that SDCWA continues to Make Available to Metropolitan pursuant to this Agreement.

#### **IV.**

##### **CHARACTERIZATION OF EXCHANGE WATER**

4.1 Exchange Water as an Independent Local Supply. The Exchange Water shall be characterized for the purposes of all of Metropolitan's ordinances, plans, programs, rules and regulations, including any then-effective Drought Management Plan, and for calculation of any Readiness-to-Serve Charge share, in the same manner as the Local Water of other Metropolitan member agencies, except as provided in Paragraphs 4.2 and 5.2.

4.2 Exception for Interim Agricultural Water Program and Determination of Price. Notwithstanding the provisions of Paragraph 4.1, the Exchange Water delivered to SDCWA shall be characterized as Metropolitan water and not as Local Water only for the limited purposes of Paragraph 5.2 and the Interim Agricultural Water Program.

#### **V.**

##### **PRICING AND PAYMENTS**

5.1 Payments. SDCWA shall pay the Price for each acre-foot of Exchange Water (including Early Exchange Water, if applicable) delivered by Metropolitan at the Metropolitan Point(s) of Delivery.

5.2 The Price. The Price on the date of Execution of this Agreement shall be Two Hundred Fifty Three Dollars (\$253.00). Thereafter, the Price shall be equal to the charge or charges set by Metropolitan's Board of Directors pursuant to applicable law and regulation and

generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies. For the term of this Agreement, neither SDCWA nor Metropolitan shall seek or support in any legislative, administrative or judicial forum, any change in the form, substance or interpretation of any applicable law or regulation (including the Administrative Code) in effect on the date of this Agreement and pertaining to the charge or charges set by Metropolitan's Board of Directors and generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies; provided, however, that Metropolitan may at any time amend the Administrative Code in accordance with Paragraph 13.12, and the Administrative Code as thereby amended shall be included within the foregoing restriction; and, provided, further, that (a) after the conclusion of the first five (5) Years, nothing herein shall preclude SDCWA from contesting in an administrative or judicial forum whether such charge or charges have been set in accordance with applicable law and regulation; and (b) SDCWA and Metropolitan may agree in writing at any time to exempt any specified matter from the foregoing limitation. In the event that SDCWA contests a matter pursuant to the foregoing sentence, the prevailing Party shall be entitled to recovery of reasonable costs and attorneys fees incurred in prosecuting or defending against such contest.

5.3 Billing and Payments. Metropolitan shall mail monthly invoices to SDCWA in accordance with the Administrative Code, and SDCWA shall make monthly payments of amounts due pursuant to Paragraph 5.1 in accordance with the Administrative Code. The amount of each monthly billing and payment pursuant to this Agreement shall be the quantity in acre-feet of Exchange Water to be delivered by Metropolitan at the Metropolitan Point(s) of

Delivery during the applicable Year, multiplied by the Price as of the commencement of that Year, divided by twelve (12).

5.4 Treatment Surcharge. SDCWA shall pay to Metropolitan an amount equal to the Treatment Surcharge, in addition to the Price, for each acre-foot of Treated Exchange Water.

## VI.

### ADDITIONAL NOTIFICATIONS

6.1 Confirmation of Water Conservation. SDCWA will provide a written report to Metropolitan, prior to March 31 of each Year, describing the method by which any Conserved Water (including Early Transfer Water, if applicable) that was Made Available to Metropolitan in the prior Year was conserved by IID, including a description of conservation projects resulting in the Conserved Water and the quantity of Conserved Water conserved by each project.

6.2 Notice of Developments.

(a) After the Effective Date, SDCWA agrees to give prompt notice to Metropolitan if it discovers that any of its own representations and warranties herein were untrue when made or determines that any of its own representations and warranties will be untrue as of any date during the term of this Agreement.

(b) After the Effective Date, Metropolitan agrees to give prompt notice to SDCWA if it discovers that any of its own representations and warranties herein were untrue when made or determines that any of its own representations and warranties will be untrue as of any date during the term of this Agreement.

## **VII.**

### **TERM**

7.1 Commencement and Expiration. This Agreement shall become effective on the Effective Date and shall expire on the Termination Date, which shall be the later of the dates determined pursuant to subparagraph (a) and (b) below.

(a) Metropolitan's and SDCWA's rights and obligations under this Agreement pertaining to Conserved Water Made Available to Metropolitan pursuant to the Transfer Agreement and this Agreement shall expire and shall thereupon terminate on December 31 of the thirty-fifth (35<sup>th</sup>) Year, unless SDCWA elects by written Notice to Metropolitan no later than the end of the fifteenth (15<sup>th</sup>) Year to extend this Agreement to December 31 of the forty-fifth (45<sup>th</sup>) Year, or shall terminate as otherwise provided in Paragraph 7.2.

(b) Metropolitan's and SDCWA's rights and obligations under this Agreement pertaining to the Canal Lining Water shall expire and shall thereupon terminate on December 31 of the same Year in which the Allocation Agreement terminates, or shall terminate as otherwise provided in Paragraph 7.2.

7.2 Force Majeure.

(a) If the performance, in whole or in part, of the obligations of the respective Parties, or either of them, to Make Available Conserved Water or Canal Lining Water or to deliver Exchange Water (as the case may be) under this Agreement is prevented: by acts or failure to act of any agency, court or other government authority, or any other



person; by natural disaster (such as earthquake, fire, drought or flood), contamination or outbreak of a water borne disease, war, strikes, lockouts, act of God, or acts of civil or military authority; by the operation of applicable law; or by any other cause beyond the control of the affected Party or Parties, whether similar to the causes specified herein or not, then, in any such circumstance, the obligation of the affected Party or Parties to cause the delivery of the Conserved Water or Canal Lining Water or to deliver the Exchange Water (as the case may be) under this Agreement shall be suspended from the time and to the extent that the performance thereof is prevented, but reasonable diligence shall be observed by the affected Party or Parties, so far as it lies in their power, in performing such respective obligations in whole or in part under this Agreement. In the event such performance of either of the Parties under this Agreement is prevented as described above, then during the period of such prevention, performance by the non-affected Party under this Agreement shall be excused until such prevention ceases, at which time both the Parties shall become obligated to resume and continue performance of their respective obligations hereunder during the term of this Agreement.

Notwithstanding the foregoing, no such prevention shall suspend or otherwise affect any payment obligations for Exchange Water actually delivered or any obligation of either Party to indemnify the other pursuant to Paragraph 13.10, or shall extend the term of this Agreement beyond the Termination Date, except as provided in Paragraph 7.2(c) below.

(b) In the event the performance by Metropolitan or SDCWA is prevented as described above, the Parties agree actively to cooperate and use their reasonable best

efforts, without diminution of any storage or other rights Metropolitan or SDCWA may have, to support a request to the Bureau for emergency storage in Lake Mead or Lake Havasu for the Conserved Water and/or the Canal Lining Water, if it would avoid the waste or loss of the Conserved Water and/or the Canal Lining Water.

(c) In the event the delivery of Exchange Water by Metropolitan is prevented as described in Paragraph 7.2(a) above, and in the event Conserved Water and/or the Canal Lining Water has been stored as contemplated by Paragraph 7.2(b) above, and such stored Conserved Water and/or the Canal Lining Water is Made Available to Metropolitan, the term of this Agreement shall be extended, for a period not to exceed five Years, without the necessity for further action by either Party, if and to the extent necessary to permit Metropolitan to complete the delivery of Exchange Water in a quantity equal to such stored Conserved Water and/or the Canal Lining Water.

7.3 Survival. Notwithstanding the foregoing or anything to the contrary in this Agreement, any remaining payment obligation of SDCWA under Article V, and the provisions in Paragraphs 12.5, 13.2, 13.3, 13.8, 13.10 and 13.15 and Articles X and XI, shall survive the termination of this Agreement.

## **VIII.**

### **CONDITIONS PRECEDENT**

8.1 Metropolitan's Condition Precedent. Metropolitan's obligations under this Agreement are subject to the execution and delivery of the QSA and the Related Agreements (as defined in Section 1.1 of the QSA), and to the occurrence of the Effective Date.

8.2 SDCWA's Conditions Precedent. SDCWA's obligations under this Agreement are subject to the execution and delivery of the Revised Fourth Amendment to the Transfer Agreement, the Allocation Agreement and the Implementation Agreement, and to the occurrence of the Effective Date.

8.3 Failure of Conditions. If Metropolitan's conditions precedent under Paragraph 8.1 are not satisfied or waived in writing by Metropolitan, or if SDCWA's conditions precedent under Paragraph 8.2 are not satisfied or waived in writing by SDCWA, in each case on or before December 31, 2003, then this Agreement will be void, and all rights and obligations provided hereunder will be terminated.

## **IX.**

### **COMPLIANCE WITH APPLICABLE LAWS**

9.1 Applicable Laws. This Agreement and the activities described herein are contingent upon and subject to compliance with all applicable laws.

## **X.**

### **ADDITIONAL COVENANTS**

10.1 Impact on Transfer Agreement. Nothing in this Agreement shall be construed to amend the Transfer Agreement.

10.2 Implementation of Transfer Agreement. Insofar as the Transfer Agreement is consistent with and implemented in accordance with state and federal law and the California Plan, Metropolitan shall not oppose approval or implementation of that Agreement before the

California State Water Resources Control Board, the Bureau, the United States Department of the Interior or in any other judicial or administrative proceedings

10.3 Support for Surplus Criteria. SDCWA will use reasonable best efforts to support all reasonable efforts by Metropolitan to promote and secure surplus criteria on the Colorado River with the objective of maintaining a full Colorado River Aqueduct.

10.4 Report to Legislature. The Parties shall report as requested to the Legislature of the State of California on the implementation of this Agreement.

10.5 Covenants of Good Faith. This Agreement is subject to reciprocal obligations of good faith and fair dealing.

10.6 SDCWA Consent and Waiver. Notwithstanding any limitations set forth in the Transfer Agreement otherwise restricting IID's right to transfer water to Metropolitan, SDCWA hereby consents to IID's transfer of water to Metropolitan as provided in Articles 5 and 6 of the IID/MWD Acquisition Agreement (as defined in Section 1.1 of the QSA) and waives any right to object thereto. SDCWA shall provide to IID, and shall be bound by, a written acknowledgement of its consent and waiver set forth in the preceding sentence above in such form and to such effect as Metropolitan may reasonably request.

10.7 Allocation Agreement Responsibilities. SDCWA shall indemnify Metropolitan and defend and hold it harmless at SDCWA's sole cost and expense from and against any obligation, liability or responsibility of any kind assigned to SDCWA under and pursuant to the Allocation Agreement and any claim by any person that MWD has any continuing obligation,

liability or responsibility of any kind with respect to the matters assigned to SDCWA under the Allocation Agreement.

## **XI.**

### **DISPUTE RESOLUTION**

11.1 Reasonable Best Efforts to Resolve by Negotiation. The Parties shall exercise reasonable best efforts to resolve all disputes, including Price Disputes, arising under this Agreement through negotiation; provided, however, that SDCWA shall not dispute whether the Price determined pursuant to Paragraph 5.2 for the first five (5) Years of this Agreement was determined in accordance with applicable law or regulation (a “Price Dispute”). In the event negotiation is unsuccessful, then the Parties reserve their respective rights to all legal and equitable remedies.

## **XII.**

### **EVENTS OF DEFAULT; REMEDIES**

12.1 Events of Default by SDCWA. Each of the following constitutes an “Event of Default” by SDCWA under this Agreement if not cured within 30 days of receiving written notice from Metropolitan of such matter:

- (a) Subject to Paragraphs 7.2 and 9.1, SDCWA fails to Make Available to Metropolitan Conserved Water or Canal Lining Water, as required under this Agreement.
- (b) SDCWA fails to perform or observe any other term, covenant or undertaking that it is to perform or observe under this Agreement.

(c) Any representation, warranty or statement made by or on behalf of the SDCWA and contained in this Agreement or in any exhibit, certificate or other document furnished pursuant to this Agreement is on the date made or later proves to be false, misleading or untrue in any material respect.

12.2 Events of Default by Metropolitan. Each of the following constitutes an “Event of Default” by Metropolitan under this Agreement if not cured within 30 days of receiving written notice from SDCWA of such matter:

(a) Subject to Paragraphs 7.2 and 9.1, Metropolitan fails to deliver the Exchange Water as required under this Agreement.

(b) Metropolitan fails to perform or observe any other term, covenant or undertaking that it is to perform or observe under this Agreement.

(c) Any representation, warranty or statement made by or on behalf of Metropolitan and contained in this Agreement or in any exhibit, certificate or other document furnished pursuant to this Agreement is on the date made or later proves to be false, misleading or untrue in any material respect.

12.3 Remedies Generally. If an Event of Default occurs, the non-breaching Party will have all rights and remedies provided at law or in equity against the breaching Party.

12.4 Enforcement of Transfer and Exchange Obligations.

(a) Any Event of Default as defined in Paragraph 12.1(a) or 12.2(a) may be remedied by an order of specific performance.

(b) So long as no Event of Default as defined in Paragraph 12.1(a) has occurred and is continuing, and so long as SDCWA tenders to Metropolitan full payment of the Agreement Price when due, Metropolitan shall not suspend or delay, in whole or in part, delivery of Exchange Water as required under this Agreement on account of any breach, or alleged breach, by SDCWA unless first authorized to do so by a final judgment. So long as no Event of Default as defined in Paragraph 12.2(a) has occurred and is continuing, SDCWA shall not suspend or delay, in whole or in part, Making Available Conserved Water and/or Canal Lining Water as required under this Agreement on account of any breach, or alleged breach, by Metropolitan unless first authorized to do so by a final judgment. A violation of the provisions of this subparagraph (b) may be remedied by an order of specific performance.

(c) In the event of a dispute over the Price, SDCWA shall pay when due the full amount claimed by Metropolitan; provided, however, that, during the pendency of the dispute, Metropolitan shall deposit the difference between the Price asserted by SDCWA and the Price claimed by Metropolitan in a separate interest bearing account. If SDCWA prevails in the dispute, Metropolitan shall forthwith pay the disputed amount, plus all interest earned thereon, to SDCWA. If Metropolitan prevails in the dispute, Metropolitan may then transfer the disputed amount, plus all interest earned thereon, into any other fund or account of Metropolitan.

12.5 Cumulative Rights and Remedies. The Parties do not intend that any right or remedy given to a Party on the breach of any provision under this Agreement be exclusive; each

such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delays in exercising any such right or remedy, the non-breaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power, or privilege precludes any other or further exercise of a right, power, or privilege granted by this Agreement or otherwise.

12.6. Action or Proceeding Between the Parties. Each Party acknowledges that it is a "local agency" within the meaning of § 394(c) of the California Code of Civil Procedure ("CCP"). Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under § 394(a) of the CCP, as a matter of law be subject to

- (a) being transferred to a "Neutral County," or instead
- (b) having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.

(c) A "Neutral County" is any county other than Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego or Ventura. In the event an action is filed by either party against the other to enforce this Agreement and to obtain damages for its alleged breach, each Party hereby:

- (i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action;



- (ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;
  - (iii) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and
  - (iv) Acknowledges that this Agreement, and in particular this section, may be submitted to the court as part of the moving papers.
- (d) Nothing in this Paragraph 12.6, however, impairs or limits the ability of a Party to contest the suitability of any particular county to serve as a Neutral County, or operates to waive any other rights.

### **XIII.**

#### **GENERAL PROVISIONS**

13.1 No Third-Party Rights. This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

13.2 Ambiguities. Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

13.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of laws provisions; provided, however, that federal law shall be applied as appropriate to the extent it bears on the resolution of any claim or issue relating to the permissibility of the transfers or the Making Available of Colorado River water, as contemplated herein.

13.4 Binding Effect; No Assignment. This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any assignment or delegation made in violation of this Agreement is void and of no force or effect.

13.5 Notices. All notices, requests, demands, or other communications under this Agreement must be in writing, and sent to both addresses of each Party. Notice will be sufficiently given for all purposes as follows:

- *Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.
- *First-Class Mail.* When mailed first-class, postage prepaid, to the last address of the recipient known to the Party giving notice. Notice is effective five mail delivery days after it is deposited in a United States Postal Service office or mailbox.
- *Certified Mail.* When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.

- *Overnight Delivery.* When delivered by an overnight delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.
- *Facsimile Transmission.* Notice is effective on receipt, provided that a copy is mailed by first-class mail on the facsimile transmission date.

Addresses for purpose of giving notice are as follows:

To Metropolitan: **Metropolitan Water District of Southern California**

Attn.: Chief Executive Officer

*Address for U.S. mail:* P.O. Box 54153

Los Angeles, CA 90054-0153

*Address for personal or overnight delivery:*

700 North Alameda Street

Los Angeles, CA 90012-2944

Telephone: 213-217-6000

Fax: 213-217-6950

With a copy delivered by the same means and at the same address to:

**Metropolitan Water District of Southern California**

Attn.: General Counsel

To SDCWA:

**San Diego County Water Authority**

Attn.: General Manager

4677 Overland Avenue  
San Diego, California 92123-1233  
Telephone: 858-522-6780  
Fax: 858-522-6262

With a copy to: **San Diego County Water Authority**

Attn.: General Counsel  
4677 Overland Avenue  
San Diego, California 92123-1233  
Telephone: 858-522-6790  
Fax: 858-522-6566

(a) A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

(b) A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.

13.6 Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the Agreement between the Parties pertaining to its subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

13.7 Time of the Essence. If the day on which performance of any act or the occurrence of any event hereunder (except the delivery of Exchange Water) is due is not a business day, the time when such performance or occurrence shall be due shall be the first business day (as defined in Section 4507 of the Administrative Code) occurring after the day on which performance or occurrence would otherwise be due hereunder. All times provided in this Agreement for the performance of any act will be strictly construed, time being of the essence of this Agreement.

13.8 Modification. This Agreement may be supplemented, amended, or modified only by the written agreement of the Parties. No supplement, amendment, or modification will be binding unless it is in writing and signed by both Parties.

13.9 Waiver. No waiver of a breach, failure of condition, or any right or remedy contained in or granted by the provisions of this Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of a breach, failure of condition, or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

13.10 Indemnification.

(a) SDCWA shall indemnify Metropolitan pursuant to Section 4502 of the Administrative Code against liability in connection with acts of SDCWA after Metropolitan's delivery of the Exchange Water, to the same extent as is required with respect to water supplied by Metropolitan to a member public agency. Such

indemnification shall be in addition to any indemnification rights available under applicable law and to any other remedy provided under this Agreement.

(b) Metropolitan shall indemnify SDCWA pursuant to Section 4502 of the Administrative Code against liability in connection with Metropolitan's delivery of the Exchange Water to the same extent as is required with respect to water supplied by Metropolitan to a member public agency. Such indemnification shall be in addition to any indemnification rights available under applicable law and to any other remedy provided under this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, each Party agrees to proceed with reasonable diligence and use reasonable good faith efforts to jointly defend any lawsuit or administrative proceeding by any person other than the Parties challenging the legality, validity, or enforceability of this Agreement.

13.11 Authority of the Legislature. Nothing in this Agreement will limit any authority of the Legislature of the State of California to allocate or reallocate water.

13.12 Right to Amend the Administrative Code. Notwithstanding anything to the contrary in this Agreement, express or implied, Metropolitan shall have the right to amend the Administrative Code at its sole discretion, except that, for the purposes of this Agreement, no such amendment shall have the effect of changing or modifying Paragraphs 8.1 and 8.2, or the obligation of Metropolitan to deliver Exchange Water hereunder, unless such effect is first approved by the Board of Directors of SDCWA.

13.13 Right to Amend Transfer Agreement and Allocation Agreement.

Notwithstanding anything to the contrary in this Agreement, express or implied, SDCWA shall have the right to amend the Transfer Agreement and/or the Allocation Agreement at its sole discretion, except that, for purposes of this Agreement, no such amendment shall have the effect of changing or modifying Paragraphs 8.1 and 8.2, the obligation of SDCWA to Make Available Conserved Water and/or Canal Lining Water hereunder, or the Price payable by SDCWA with respect to any Exchange Water, or be binding on Metropolitan, unless such effect is first approved by the Board of Directors of Metropolitan.

13.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

13.15 Audit. Each Party shall be responsible for assuring the accuracy of its books, records and accounts of billings, payments, metering of water, and other records (whether on hard copy or in electronic or other format) evidencing the performance of its obligations pursuant to this Agreement and shall maintain all such records for not less than three years. Each Party will have the right to audit the other Party's books and records relating to this Agreement for purposes of determining compliance with this Agreement during the term hereof and for a period of three years following termination of this Agreement. Upon reasonable notice, each Party shall


cooperate fully with any such audit and shall permit access to its books, records and accounts as may be necessary to conduct such audit.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

*Approved as to Form:*

The Metropolitan Water District of Southern California

By:

  
General Counsel

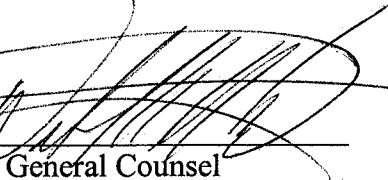
By:

  
Chief Executive Officer


*Approved as to Form:*

The San Diego County Water Authority

By:

  
General Counsel

By:

  
General Manager



**AGREEMENT BETWEEN  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
AND THE SAN DIEGO COUNTY WATER AUTHORITY  
REGARDING ALLOCATION OF THE BENEFITS OF THE  
BIOLOGICAL OPINION FOR INTERIM SURPLUS CRITERIA,  
SECRETARIAL IMPLEMENTATION AGREEMENTS, AND CONSERVATION  
MEASURES ON THE LOWER COLORADO RIVER, LAKE MEAD TO THE  
SOUTHERLY INTERNATIONAL BOUNDARY,  
ARIZONA, CALIFORNIA AND NEVADA  
DATED JANUARY 12, 2001**

This Agreement (“Agreement”) Between The Metropolitan Water District of Southern California (“MWD”) and the San Diego County Water Authority (“SDCWA”) Regarding Allocation of the Benefits of the Biological Opinion for Interim Surplus Criteria, Secretarial Implementation Agreements, and Conservation Measures on the Lower Colorado River, Lake Mead to the Southerly International Boundary, Arizona, California and Nevada Dated January 12, 2002 (“BO”) is made and entered into as of October 10, 2003. MWD and SDCWA are sometimes referred to herein collectively as the “Parties” or each individually as a “Party.”

**RECITALS**

A. MWD is a public agency of the State of California incorporated under the Metropolitan Water District Act, Stats. 1969, ch. 209, as amended, engaged in transporting, storing and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, within the State of California.

B. SDCWA is a county water authority incorporated under the California County Water Authority Act, Stats. 1943, ch. 545, as amended, for the purpose of providing its member agencies in San Diego County with a safe, reliable and sufficient supply of imported water.

C. This Agreement is one of several agreements executed and delivered as of the date hereof by the Parties and other agencies related to the allocation and use of water from the

Colorado River, including the Quantification Settlement Agreement Among the Imperial Irrigation District (“IID”), MWD and Coachella Valley Water District (“CVWD”).

D. On April 29, 1998, SDCWA and IID entered into an Agreement for Transfer of Conserved Water, as amended by the Revised Fourth Amendment between SDCWA and IID dated as of the date hereof (as thereby amended, the “Transfer Agreement”), which provides for the transfer of up to two hundred thousand (200,000) acre-feet per year of Colorado River water from IID to SDCWA.

E. The Parties and other agencies also executed as of this date the Allocation Agreement Among the United States of America; MWD; CVWD; IID; SDCWA; and the La Jolla, Pala, Pauma, Rincon and San Pasqual Bands of Mission Indians, the San Luis Rey River Indian Water Authority, the City of Escondido and Vista Irrigation District (collectively, the “San Luis Rey Settlement Parties”), pertaining to the allocation and distribution of water to be conserved from the All-American Canal Lining Project and the Coachella Canal Lining Project (as such terms are defined therein), which allocated up to seventy-seven thousand, seven hundred (77,700) acre-feet per year of Colorado River water to SDCWA and up to sixteen thousand (16,000) acre-feet per year of Colorado River water to either MWD or the San Luis Rey Settlement Parties, as provided therein.

F. The United States Fish and Wildlife Service (“FWS”) issued a BO, regarding certain conservation measures, mitigation measures and reasonable and prudent measures (collectively, the “Measures”) required to implement certain proposed actions by the United States Bureau of Reclamation (“Reclamation”), including changes in the point of delivery and diversion of Colorado River water, that were necessary for Reclamation to implement the Colorado River Water Delivery Agreement (“CRWDA”) between the United States by and

through the Secretary of the Interior, IID, CVWD, MWD and SDCWA dated as of the date hereof, and to facilitate the transfers under the Quantification Settlement Agreement, the Transfer Agreement, and the Allocation Agreement.

G. As of the date hereof, the Parties entered into the Funding Agreement Among Reclamation, MWD and SDCWA Regarding Implementation of Conservation and Mitigation Measures Identified in United States Fish and Wildlife Service Biological Opinion Dated January 12, 2001, “For Interim Surplus Criteria (Hereinafter “Guidelines”), Secretarial Implementation Agreements, and Conservation Measures on the Lower Colorado River, Lake Mead to the Southerly International Boundary, Arizona, California, and Nevada” (“Funding Agreement”), which provided in Section 2 thereof that MWD and SDCWA would allocate the benefits derived from compliance with the Measures of the BO through a separate agreement between SDCWA and MWD.

H. The transfer of up to two hundred thousand (200,000) acre-feet per year of Colorado River water to SDCWA under the Transfer Agreement and the allocation of up to seventy-seven thousand, seven hundred (77,700) acre-feet per year of Colorado River Water to SDCWA under the Allocation Agreement require use of a portion of the benefits derived from compliance with the Measures of the BO.

I. MWD is a party to various agreements resulting in potential transfers of Colorado River water to MWD on schedules yet to be determined, and may become a party to additional transfer agreements in the future, which will require use of a portion of the benefits derived from compliance with the Measures of the BO.

J. This Agreement is intended by the Parties to constitute the separate agreement referenced in Section 2 of the Funding Agreement.

## AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, MWD and SDCWA agree to the following terms and conditions of this Agreement:

1.     Basic Provision. The Parties agree that the benefits derived from compliance with the Measures set forth in the BO allowing changes in the point of delivery and diversion for 400,000 acre-feet per year of Colorado River water under the Funding Agreement (“Coverage”) shall be apportioned and shared by the Parties as if they are tenants in common for the purpose of effectuating the Colorado River water transfers described in Recitals H and I.

2.     Joint Use. Acting as if they are tenants in common, the Parties may each make use of any and all Coverage provided by the BO for the purposes of implementing the water transfers described in Recitals H and I. However, SDCWA’s use and enjoyment of the Coverage shall be expressly limited to the water made available under the Transfer Agreement and the Allocation Agreement. MWD may elect, in its complete discretion, to use the Coverage for any water transfer.

3.     Priority of Use of Coverage. To the extent there is insufficient Coverage within the BO for all proposed transfers of water in any given year, first priority shall be given to the water transferred to SDCWA under the Transfer Agreement and the water allocated to SDCWA and MWD or the San Luis Rey Settlement Parties under the Allocation Agreement, and second priority shall be given to any other transfers of water that MWD may elect, so long as the total amount of water having first and second priorities under this Section 3 does not exceed 400,000 acre-feet in any calendar year.

4. Additional Coverage. If after ten (10) years from the effective date of this Agreement, as set forth in Section 6 hereof, the proposed transfers or allocations of Colorado River water to SDCWA and MWD requiring coverage under the BO are projected to exceed four hundred thousand (400,000) acre-feet in any given calendar year, then SDCWA and MWD agree to cooperate with each other to obtain additional coverage to the extent their combined transfers are projected to exceed four hundred thousand (400,000) acre-feet per year, up to a maximum of an additional seventy-five thousand (75,000) acre-feet per year.

5. Reimbursement of Costs for Additional Coverage. Reimbursement of costs attributable to obtaining the additional coverage will be borne by the Party that uses the additional coverage. Use of additional coverage will be determined over time based on the provisional allocation of 277,700 acre-feet per year to SDCWA and 122,300 acre-feet per year to MWD.

6. Effective Date and Term. This Agreement shall be effective as of the Effective Date of the Quantification Settlement Agreement, as that term is defined therein, and shall remain in effect so long as the BO is in effect.

7. Liability and Indemnity. Neither Party to this Agreement nor any of its directors, officers, agents, employees or authorized volunteers shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other Party to this Agreement in connection with any work, obligation, authority, or any criteria arising out of this Agreement. Each Party to this Agreement shall defend, indemnify, and hold each other Party to this Agreement, its directors, officers, agents, employees and authorized volunteers, harmless against all liability, claims, or other loss, and whether direct, or indirect or consequential, which may occur as a result of activities conducted by it under this Agreement, together with

reasonable attorney's fees and costs and expenses incurred by a Party in negotiating, settling, defending, or otherwise protecting against such liability, claims, and loss.

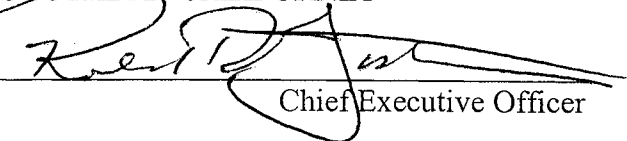
8. No Third-Party Rights. This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns. Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

9. Binding Effect. This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities.

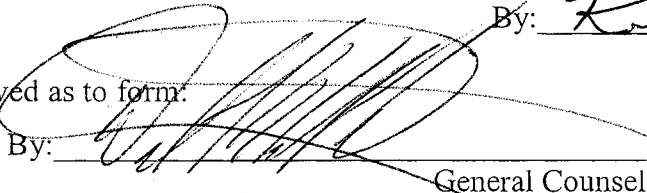
10. Ambiguities. Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

**IN WITNESS THEREOF**, the Parties have hereunto set their hands on the date first above written.

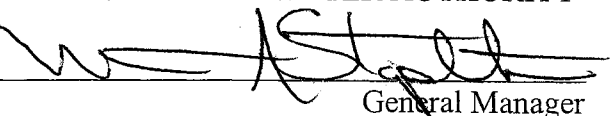
THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

By:   
Chief Executive Officer

Approved as to form:

By:   
General Counsel

SAN DIEGO COUNTY WATER AUTHORITY

By:   
General Manager

Approved as to form:

By:   
General Counsel

**AGREEMENT FOR ACQUISITION OF CONSERVED WATER**

**by and between**

**IMPERIAL IRRIGATION DISTRICT,**

**a California irrigation district ("IID"),**

**and**

**COACHELLA VALLEY WATER DISTRICT,**

**a California county water district**

**("CVWD")**

**Dated: October 10, 2003**

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## **AGREEMENT FOR ACQUISITION OF CONSERVED WATER BETWEEN IMPERIAL IRRIGATION DISTRICT AND COACHELLA VALLEY WATER DISTRICT**

THIS AGREEMENT FOR ACQUISITION OF CONSERVED WATER ("**Agreement**") is made and entered into by IMPERIAL IRRIGATION DISTRICT, a California irrigation district ("**IID**"), and COACHELLA VALLEY WATER DISTRICT, a California county water district ("**CVWD**"), as of October 10, 2003. IID and CVWD are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**."

### **R E C I T A L S:**

A. IID is an irrigation district organized under the California Irrigation District Law, codified at §§ 20500 et seq. of the California Water Code, and delivers Colorado River water in Imperial County, California for irrigation and potable purposes.

B. CVWD is a county water district organized under the California County Water District Law, codified at §§ 30000 et seq. of the California Water Code, and delivers Colorado River water in Riverside County, California for irrigation and potable purposes.

C. This Agreement is one of several agreements executed and delivered as of the date hereof by the Parties and by other agencies, including Metropolitan Water District ("**MWD**"), pursuant to the Quantification Settlement Agreement among the Parties and MWD dated as of October 10, 2003 (the "**QSA**"), which settles a variety of long-standing disputes regarding the priority, use, and transfer of Colorado River water and establishes the terms for the further distribution of Colorado River water among these entities for up to seventy-five years based upon the water budgets set forth therein.

D. IID will cause Water Conservation Efforts (defined below) to be undertaken in exchange for payments to be made by CVWD.

E. This Agreement provides for the voluntary acquisition of Conserved Water from IID by CVWD.

F. CVWD is willing to make payments to IID in order to acquire Conserved Water created by IID's Water Conservation Efforts.

G. The purpose of this Agreement is to set forth the terms and conditions under which CVWD will make payments to IID for the acquisition of a specified quantity of Conserved Water, in accordance with the QSA.

H. Although the Parties intend to act in accordance with this Agreement, they do not intend to, and under the Agreement do not in any way, transfer, assign, encumber, or grant to each other any ownership interest in or control over any of each other's water rights, and do not intend to limit or waive their respective rights following termination of the Agreement.

I. The Parties intend that this Agreement shall become effective, and the activities described herein shall commence, only after compliance with the California Environmental

Quality Act, California Public Resources Code §§ 21000 et seq. ("CEQA"), and the National Environmental Policy Act, Title 4, United States Code §§ 4321 et seq. ("NEPA"), as applicable.

## **A G R E E M E N T:**

NOW THEREFORE, in consideration of the covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, IID and CVWD agree that the terms and conditions of this Agreement are as follows:

### **ARTICLE 1**

#### **DEFINITIONS AND RULES OF CONSTRUCTION**

**1.1 Incorporated Definitions.** The terms with initial capital letters that are used in this Agreement shall have the same meaning as set forth in Section 1.1 of the QSA, unless the context otherwise requires.

**1.2 Additional Definitions.** As used in this Agreement, in addition to the QSA defined terms, the following terms shall have the meanings set forth below:

- (1) **Adjustment Notice.** As defined in Section 3.4.
- (2) **Contracting Landowner.** A Landowner that has contracted with IID to undertake Water Conservation Efforts and reduce its use of Colorado River water.
- (3) **Due Date.** As defined in Section 6.1(1).
- (4) **Environmental Review Process Costs.** As defined in the Environmental Cost Sharing Agreement ("ECSA").
- (5) **Environmental Mitigation Costs.** As defined in the ECSA.
- (6) **Event of Default.** As defined in Article 15.
- (7) **First Fifty Thousand Acquisition.** As defined in Section 3.1.
- (8) **Landowner.** A legal owner of real property located within the jurisdictional boundary of IID.
- (9) **Late Payment Charge.** As defined in Section 6.3.
- (10) **Make Available (and grammatical variations thereof).** Conserved Water will be deemed to have been Made Available to CVWD in any Year hereunder by means of IID's corresponding reduction in that Year of its Consumptive Use at Imperial Dam in an amount equal to the Conserved Water to be acquired hereunder in that Year by CVWD.
- (11) **NEPA.** As defined in Recital I.

- (12) **Occasional Reduction Notice**. As defined in Section 3.5(5).
- (13) **Permanent Reduction Notice**. As defined in Section 3.7.
- (14) **Postponement Notice**. As defined in Section 3.3.
- (15) **QSA**. As defined in Recital C.
- (16) **Second Fifty-Three Thousand Acquisition**. As defined in Section 3.2.
- (17) **Shortfall**. As defined in Article 11.
- (18) **Term**. As defined in Article 4.
- (19) **Water Conservation Efforts**. The activity, program or project used to generate Conserved Water.

**1.3 Rules of Construction and Word Usage**. The provisions of Section 1.2 of the QSA are incorporated herein by reference, unless the context requires otherwise.

## **ARTICLE 2**

### **BASIC PROVISION**

Subject in all events to the specific terms and conditions of this Agreement:

(a) IID will compromise certain positions and cause Water Conservation Efforts to be undertaken (by IID or by contracts with Landowners) to create Conserved Water for acquisition by CVWD and reduce the Consumptive Use of Colorado River water by IID.

(b) CVWD will compromise certain positions, acquire Conserved Water from the IID, use such Conserved Water for CVWD Improvement District No. 1 (subject to Section 3.6 below), and pay IID for the Conserved Water available for acquisition.

(c) IID and CVWD agree that at the termination of this Agreement, neither the terms of the Agreement nor the conduct of the Parties in performance of this Agreement confers upon the other any legal or equitable rights that would not have existed in the absence of this Agreement and the Parties' performance thereunder.

## **ARTICLE 3**

### **ACQUISITION QUANTITY**

**3.1 First Fifty Thousand Acquisition**. Subject to Sections 3.3 and 3.4 below, the quantity of Conserved Water acquired by CVWD during the Calendar Year 2008 shall be four thousand (4,000) AF and shall ramp up by four thousand (4,000) AFY each year thereafter until Calendar Year 2010, at which time it shall ramp up by five thousand (5,000) AFY each year

thereafter, except that in Calendar Year 2016 it shall ramp up by eighteen thousand (18,000) AFY. Once fifty thousand (50,000) AFY of conserved water is created and acquired, it shall constitute the "**First Fifty Thousand Acquisition**". Thereafter, subject to the Occasional or Permanent Reduction provisions of Sections 3.5 and 3.7 below, the First Fifty Thousand Acquisition shall remain at fifty thousand (50,000) AFY.

**3.2 Second Fifty-Three Thousand Acquisition.** Commencing in the Year following the end of the ramp-up for the First Fifty Thousand Acquisition and subject to Section 3.4 below, the quantity of Conserved Water acquired by CVWD shall be five thousand (5,000) AF and shall ramp-up by five thousand (5,000) AFY each year thereafter until an additional acquisition of fifty-three thousand (53,000) AFY is reached (the "**Second Fifty-Three Thousand Acquisition**"). Thereafter, subject to the Occasional or Permanent Reduction provisions of Sections 3.5 and 3.7 below, the aggregate First Fifty Thousand and Second Fifty-Three Thousand Acquisitions shall total and remain at one hundred and three thousand (103,000) AFY. A schedule illustrating the First Fifty Thousand and Second Fifty-Three Thousand Acquisitions, without application of Sections 3.3-3.5 and 3.7 below; is attached hereto as Exhibit A.

**3.3 Postponement of First Fifty Thousand Acquisition.** CVWD may from time to time postpone the first year of the First Fifty Thousand Acquisition ramp-up to any Calendar Year between Calendar Year 2008 and Calendar Year 2016 by providing written notice to IID at least two (2) years prior to the January 1 of the year which would otherwise be the first year. More than one postponement is permissible, but no notice may be given after December 31, 2013. The notice shall identify the year other than 2008 that will be the new first year of the First Fifty Thousand Acquisition (the "**Postponement Notice**").

**3.4 Adjustment to Ramp-Up of First and Second Fifty-Three Thousand Acquisitions.** After the First Fifty Thousand Acquisition has commenced, and provided that written notice is provided to IID at least one (1) year prior to the January 1 for the Calendar Year to be adjusted, CVWD may reduce an annual ramp-up step to either three thousand (3,000) AFY or four thousand (4,000) AFY. The notice shall specify the amount and number of years for the adjustment (the "**Adjustment Notice**"). CVWD may provide an Adjustment Notice more than one time, but only one Adjustment Notice is permitted for any given year.

**3.5 Occasional Reductions to First or Second Fifty-Three Thousand Acquisitions.** CVWD shall have a limited right to occasionally reduce the amount of Conserved Water acquired in the First Fifty Thousand or Second Fifty-Three Thousand Acquisitions from IID. This limited right is subject to the following terms and conditions.

(1) **Availability.** The occasional reductions may occur only during the period between the first year of the First Fifty Thousand Acquisition and two (2) years after the end of the ramp-up for the Second Fifty-Three Thousand Acquisition.

(2) **Annual Reduction Amount.** The occasional reductions shall be in a volume comprised of one or more increments of five thousand (5,000) AF.

(3) **Aggregate Reduction Maximum.** CVWD may not reduce its acquisition of Conserved Water by more than one hundred thousand (100,000) AF in the aggregate during any rolling ten (10)-year period.

(4) **Frequency.** CVWD may not exercise its limited right to an occasional reduction in more than three (3) years in any rolling ten (10)-year period nor more than three (3) years in succession.

(5) **Notice.** CVWD shall provide written notice (the "**Occasional Reduction Notice**") to IID at least one year prior to the January 1 of any Calendar Year in which the occasional reduction is to take place. Said notice is to specify the Annual Reduction Amount and number of years and contain sufficient information for IID to determine CVWD's compliance with availability, aggregate maximum, and frequency limitations.

**3.6 IID Use or Transfer of Non-Acquired Conserved Water.** IID shall have the right to use, transfer or Make Available to MWD Conserved Water occasionally not acquired by CVWD, subject to applicable restraints under then existing law. IID shall make reasonable efforts to lawfully use or transfer Conserved Water occasionally not acquired by CVWD to the extent such Conserved Water is not Made Available to MWD pursuant to Article 5 of the IID/MWD Acquisition Agreement. If IID reasonably chooses to use some or all of the non-acquired Conserved Water, CVWD shall be relieved of its payment obligations for the volume used by IID. If IID Makes Available to MWD or lawfully transfers to some other transferee some or all of the Conserved Water occasionally not acquired by CVWD, CVWD will be relieved of its payment obligation in an amount equal to the value of the consideration received by IID in exchange for the transferred Conserved Water; provided, however, that in no event will CVWD have any right to share in or receive any payment as a result of IID's transfer of the Conserved Water. CVWD will also be relieved of its payment obligation to the extent of payments IID would have received should IID decide not to engage in a lawful transfer to a ready, willing and able transferee. CVWD can bring potential transferees to IID's attention for IID's consideration. Should IID be unable to reasonably use or transfer the non-acquired Conserved Water, CVWD will not be relieved of its payment obligation to IID, but will be permitted to use the Conserved Water for any lawful purpose within its jurisdictional boundary, except that prior to Calendar Year 2018, CVWD must use such Conserved Water for irrigation use within Improvement District No. 1 or in a manner that produces the same inflow to the Salton Sea as if used for irrigation within Improvement District No. 1. The relief of payment provisions of this Section 3.6 take precedence over any provisions of Article 6 or 7.

**3.7 Permanent Reduction of Acquired Water.** CVWD may permanently waive its rights to acquire some of the First Fifty Thousand and Second Fifty-Three Thousand Acquisitions and its corresponding obligation to pay by providing written notice to IID at least two years prior to the January 1 of the Calendar Year in which the unreduced volume would otherwise be obtained, but in no event later than December 31, 2023, specifying the permanent reduction volume (the "**Permanent Reduction Notice**"). The permanent reduction volume below the aggregate acquisition volume of one hundred and three thousand (103,000) AFY must be in a volume comprised of one or more increments of five thousand (5,000) AFY. The permanent reduction volume will reduce the Second Fifty-Three Thousand Acquisition and thereafter the First Fifty Thousand Acquisition; and, after the Permanent Reduction Notice is



provided, the First Fifty Thousand Acquisition and the Second Fifty-Three Thousand Acquisition volumes are deemed appropriately adjusted for purposes of this Agreement.

## **ARTICLE 4**

### **TERM**

#### **4.1 Term.**

(1) **Agreement.** This Agreement shall commence as of the Closing Date and shall terminate on the Termination Date.

(2) **Second Fifty-Three Thousand Acquisition.** The term for the Second Fifty-Three Thousand Acquisition shall be limited to the shorter of the term for this Agreement or the period from January 1 of Year 1 to December 31 of Year 45.

**4.2 Effective Date.** The obligations of the Parties under Articles 2, 3, 6, 14, 15, 16 and 17 hereof shall be contingent upon the occurrence of, and shall not become effective until, the Effective Date.

**4.3 Effect of Termination.** The provisions of Section 3.4(4) of the QSA are incorporated herein by reference, except that Section 14.3(2) of this Agreement shall survive Termination of this Agreement as set forth therein.

## **ARTICLE 5**

### **PRICE**

**5.1 First Fifty Thousand Acquisition.** The price per AF for the First Fifty Thousand Acquisition shall be Fifty Dollars (\$50.00) in 1999 Dollars.

**5.2 Second Fifty-Three Thousand Acquisition.** The price per AF for the Second Fifty-Three Thousand Acquisition shall be One Hundred Twenty-Five Dollars (\$125.00) in 1999 Dollars.

## **ARTICLE 6**

### **PAYMENT**

#### **6.1 Schedule for Payments.**

(1) **Payment Schedule.** Invoices for Conserved Water will be sent annually on June 1 by IID to CVWD and, with respect to any Second Fifty-Three Thousand Acquisition amounts, also to MWD. Each invoice will specify the date of mailing, date on which the payment thereunder becomes due, per AF charges, total amount due and owing, and, with respect to any Second Fifty-Three Thousand Acquisition amounts, the portion of the total amount which is subject to MWD's reimbursement obligation to CVWD under the CVWD/MWD Acquisition Agreement. CVWD will send by the following June 15 a statement of acceptance of the invoice,

or a statement detailing any disagreement in the per AF charges or the total amount due and owing. Payment of the undisputed amount and fifty percent (50%) of any disputed amount of any such invoice shall be due on the following July 1 ("**Due Date**"). Payment of the balance of any unpaid disputed amount, or refund of any of the paid disputed amount shall be due on the tenth (10th) business day following final resolution of the payment dispute. As an accommodation, MWD may pay directly to IID on CVWD's behalf any portion of an amount due and owing or disputed under an invoice, and MWD shall be a third-party beneficiary with respect to any payment dispute applicable to all or part of the amount paid by MWD; and IID may pay any refund of any of such paid disputed amount directly to MWD following final resolution of the payment dispute. Notwithstanding, CVWD is fully and solely responsible for the payment to IID of the total amount due for the First Fifty Thousand Acquisition and the Second Fifty-Three Thousand Acquisition.

(2) **Amount of Annual Payments.** The amount for each annual payment for Conserved Water during any Year is the quantity in AF of Conserved Water available to be acquired as of January 1 of that Year times the applicable price in 1999 Dollars.

**6.2 Method of Payment.** IID will credit any payment received by IID from MWD pursuant to the reimbursement obligation provisions of the CVWD/MWD Acquisition Agreement against CVWD's payment obligation under Section 6.1; but IID will have no responsibility for any breach or failure by MWD to perform under such provisions. Every payment to IID required under this Agreement must be made in lawful money of the United States of America, to the order of IID, and paid by wire transfer. The initial wire transfer instructions are as follows:

Imperial Irrigation District  
01883-80154  
Reference, if any

Bank of America  
San Francisco  
121000358

Payment will be considered made by CVWD upon confirmation of the funds being transferred by CVWD (and, as applicable, by MWD) and received by IID's bank on or before the Due Date, notwithstanding any clearing time or delay in IID's bank releasing funds to IID. IID may change these wire transfer instructions by giving notice to CVWD in accordance with Section 19.6 below. IID will provide a copy of any such notice to MWD in the manner set forth in Section 11.1 of the QSA.

**6.3 Late Payments.** Payment of the amount required shall be delinquent if not made by or on behalf of CVWD before the close of crediting activity on the Due Date. In the event that CVWD is delinquent in the payment of any amount required, CVWD shall pay an additional charge ("**Late Payment Charge**") equal to two percent (2%) of the delinquent payment for each month or portion thereof that such payment remains delinquent; provided, however, that if the total period of delinquency does not exceed five (5) Business Days, the additional charge shall be equal to one percent (1%) of the delinquent payment.

**6.4 Annual Settling-Up Payment.** Although the payment provisions set forth above are based on a price as of each July 1 expressed in 1999 Dollars, it is expected that as of the date that the invoice is to be prepared and sent to CVWD (and, as applicable, to MWD) only a United States published estimate of the relevant Inflation Index determinations may be available, with the final relevant index determinations by the United States not being available until a later date. In contemplation of that circumstance, IID shall send a settling-up invoice to CVWD (and, as applicable, to MWD) within sixty (60) days of the United States publication of the relevant Inflation Index final determinations, which identifies any change, as a payment or credit due, in the previously sent invoice which was based on an estimated Inflation Index. Within thirty (30) days of transmission of the settling-up invoice, CVWD will send a statement of acceptance of the settling-up invoice, or a statement detailing any disagreement. The payment by or credit to CVWD (and, as applicable, to MWD) will be due by adding the payment or subtracting the credit, in either case without interest, to the next June 1 invoice sent by IID, with payment due on the following July 1, all as more fully described in Attachment 5. Should there be a disagreement in the payment or credit amount of the settling-up invoice, the payment provisions pending resolution of the dispute will be the same as disputes over the June 1 invoices.

**6.5 Payments for Environmental Costs.** The method and process for CVWD's payment or reimbursement of certain Environmental Review Process Costs and Environmental Mitigation Costs, as contemplated by Section 10.3 of this Agreement, shall be as set forth in the ECSA.

## **ARTICLE 7**

### **ACQUISITION MECHANISM**

**7.1 Commencement of Acquisition of Conserved Water.** The acquisition of Conserved Water shall be deemed to commence on the Effective Date.

**7.2 Acquisition Mechanism and Location.** IID performs its obligations to make Conserved Water available for CVWD acquisition under this Agreement by reducing its Consumptive Use of the Colorado River at Imperial Dam by an amount equal to the Conserved Water to be acquired. When IID acts in that manner, IID has satisfied its obligation to make Conserved Water available for acquisition. CVWD accepts responsibility for the acquired Conserved Water at Imperial Dam. CVWD has no duty to divert any or all of the Conserved Water. The payments by CVWD to IID under this Agreement are to enable CVWD to acquire the Conserved Water and are due whether or not CVWD actually diverts that Conserved Water. CVWD bears the sole risk and responsibility of transporting the Conserved Water to the CVWD service area and any and all Conveyance Losses shall be borne by CVWD.

**7.3 CVWD's Scheduling Discretion.** CVWD acquires Conserved Water between January 1 and December 31 of each Year. CVWD has the complete discretion within a Year on all matters relating to the scheduling of its diversions from Imperial Dam to the CVWD service area.

## **ARTICLE 8**

### **PRIORITY 3, 6 AND 7**

**8.1 Limitation on Diversions.** IID and CVWD have agreed to limit and share diversions under Priorities 3, 6 and 7 as explicitly set forth in the QSA.

## **ARTICLE 9**

### **CONDITIONS TO CVWD'S AND IID'S OBLIGATIONS**

**9.1 Satisfaction of Conditions.** CVWD's rights to acquire and pay for Conserved Water, and IID's obligations to undertake Water Conservation Efforts and Make Available Conserved Water for acquisition by CVWD, are all subject to the satisfaction of the following conditions on or before the dates specified below. CVWD and IID each agree to proceed with reasonable diligence and to use reasonable best efforts to satisfy those conditions for which it has responsibility. To the extent that the SWRCB imposes costs on the Parties for its review and approval of CVWD's acquisition of Conserved Water from IID under this Agreement, IID and CVWD agree to share such costs equally, except that any SWRCB-imposed costs relating to the SWRCB's role in reviewing IID's reasonable and beneficial use of water shall be borne solely by IID. To the extent that the Secretary imposes costs on the Parties for its review and agreement to CVWD's acquisition of Conserved Water from IID under this Agreement, IID and CVWD agree to share such costs equally, except that any Secretary-imposed costs relating to any Secretary role in reviewing IID's reasonable and beneficial uses of water shall be borne solely by IID. Other than with respect to CVWD's obligations for Environmental Review Process Costs and Environmental Mitigation Costs and CVWD's obligations for payment of SWRCB or Secretary expenses spelled out in the preceding two sentences, the amount that CVWD should spend in an effort to satisfy these conditions is committed wholly to CVWD's complete discretion.

(1) **QSA.** Each of the conditions precedent set forth in the QSA shall have been satisfied or waived as of the QSA Closing Date.

(2) [Intentionally omitted].

(3) **Flooding Case Settlement Agreement.** IID and CVWD shall have executed a settlement agreement regarding the sharing of liability in Salton Sea flooding cases.

**9.2 Written Waiver of Conditions.** The Parties may agree to waive in writing any one or more of the foregoing conditions, in whole or in part; provided, however, that neither Party shall waive review in accordance with CEQA or NEPA or other requirements under applicable laws.

**9.3 Extension by Agreement.** The Parties may agree to extend the date by which any condition must be satisfied or waived.

**9.4 Consequence of Failure of Conditions.** If the conditions in this Article are not timely satisfied or waived, then this Agreement will be void *ab initio*, and all rights granted by this Agreement will be terminated and forfeited.

## **ARTICLE 10**

### **COMPLIANCE WITH ENVIRONMENTAL LAWS**

**10.1 Compliance With CEQA and NEPA.** In executing this Agreement, the Parties recognize and acknowledge that the environmental review and assessment required by CEQA and NEPA have been completed.

**10.2 Compliance With Endangered Species Act and Other Applicable Laws.** In executing this Agreement, the Parties recognize and acknowledge that they have taken all steps necessary to assess whether the activities described in this Agreement may adversely impact threatened or endangered species, critical habitat or other environmental resources regulated pursuant to the federal Endangered Species Act, the California Endangered Species Act and other applicable state and federal laws relating to the protection of environmental resources (collectively, "**Resource Laws**"). To the extent required to implement the activities described in this Agreement in compliance with all Resource Laws, and as a condition to implementing such activities, the Parties have undertaken consultation with the U.S. Fish & Wildlife Service ("**USFWS**") for their respective areas of responsibility and have obtained all necessary permits, approvals and authorizations from USFWS, the California Department of Fish & Game and other resource agencies.

**10.3 Payment of Environmental Review Process and Environmental Mitigation Costs.** The terms and conditions governing the Parties' respective responsibilities for the payment of Environmental Review Process and Environmental Mitigation Costs associated with the activities and transactions contemplated by this Agreement are set forth in the ECSA.

## **ARTICLE 11**

### **ALLOCATION OF PRIORITY 3 SHORTFALL**

**11.1 Terms of Allocation.** If, for any reason, there is less than three million eight hundred fifty thousand (3,850,000) AF available in any given year to Priorities 1, 2 and 3, CVWD's obligation to acquire and pay for Conserved Water and IID's obligation to make Conserved Water available for acquisition shall continue. Notwithstanding the above, if less than three million four hundred thirty thousand (3,430,000) AFY in the aggregate is available under Priority 3 to IID and CVWD, then any Shortfall ("**Shortfall**"), defined as the difference between three million four hundred thirty thousand (3,430,000) AFY and the aggregate AFY available to IID and CVWD under Priority 3, shall be allocated and shared as set forth in subsections (1) – (5) below; however, under no circumstances shall the Consumptive Use available to IID remaining under Priority 3 be reduced to a volume less than the volume of IID's present-perfected right.

**(1) Reduction of Priority 3 and Acquired Water.** Subject to IID's retention of its Priority 3 Consumptive Use volume equal to its present-perfected right, shortfalls will be allocated first to either Party's Priority 3 right and thereafter, if necessary, to reduce acquired water under this Agreement.

(2) **Allocation of Shortfall by Consent.** IID and CVWD shall meet as soon as reasonably practicable, but not later than ten (10) days after each is informed that a Shortfall will or reasonably might occur in order to negotiate a consensual sharing of the Shortfall. If no such consensual resolution is obtained within fifteen (15) days of such meeting, then either Party may commence litigation to resolve the allocation of the Shortfall.

(3) **Allocation of Shortfall by Litigation.** Either IID or CVWD may commence a lawsuit before any appropriate court to resolve the allocation of the Shortfall. Litigation shall not occur in any forum other than a court. The matter shall be tried to a judge, not a jury. In such litigation, both IID and CVWD may assert any right, claim, power or defense related to water rights including priority, purpose or method of use; provided, however, that (i) no judgment shall reduce the Consumptive Use right of IID under Priority 3 to less than the volume associated with IID's present perfected right; (ii) any judgment will be limited only to the allocation of the Shortfall; and (iii) this Agreement, the Implementation Agreement, the Quantification Settlement Agreement, the IID/MWD Acquisition Agreement, the CVWD/MWD Acquisition Agreement, the 1998 IID/SDCWA Transfer Agreement, and the SWRCB and BOR Approvals of any of these agreements shall be inadmissible as evidence and shall not be considered by the court in ruling on the allocation of the Shortfall. In any litigation to resolve the allocation of the Shortfall, should CVWD assert any right, claim, power or defense involving any evaluation or assessment of IID's use of water, it shall be conclusively presumed that any water conserved by IID for transfer or acquisition or used by IID for environmental mitigation purposes through Temporary Land Fallowing or crop rotation during the Term of this Agreement has instead been conserved by efficiency improvements, such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields.

(4) **Provisional Allocation of Shortfall During the Litigation.** During the pendency of any litigation and until a final, nonappealable judgment is entered, IID and CVWD agree to allocate any Shortfall on the basis of seventy-five percent (75%) to IID and twenty-five percent (25%) to CVWD.

(5) **Settling Up After Litigation Concluded.** Upon the entry of a final, nonappealable judgment, the Parties will settle up and allocate the Shortfall in accordance with the final judgment. The Party who obtained more water under the Provisional Allocation than it would have received under the final judgment is the Debtor Party; the Party who obtained less water under the Provisional Allocation than it would have received under the final judgment is the Creditor Party. The Debtor Party shall repay the Creditor Party the amount it received under the Provisional Allocation in excess of that which it would have received had the final judgment been in effect throughout the Shortfall period. The Debtor Party shall repay in equal annual installments and shall have a repayment period equal to three (3) years for every one (1) year that the litigation was pending. To the extent that Flood Control Releases occur during the repayment period and can be reasonably used or stored by the Creditor Party, the obligation of the Debtor Party is commensurately reduced.

## **ARTICLE 12**

### **FORCE MAJEURE**

**12.1 Force Majeure.** The risk of a Force Majeure event, such as a natural disaster, act of war or like emergency disrupting IID's Water Conservation Efforts or disrupting CVWD's ability to acquire, divert or receive Conserved Water, shall be borne by the Parties in accordance with the following terms; provided, however, that in no circumstance shall a Priority 3 Shortfall, as described in Article 11 above, an extended drought (even of unexpected magnitude), or a new and unexpected environmental mitigation obligation be deemed a Force Majeure event within the meaning of this Article 12. Unexpected environmental mitigation obligations that result in increased costs shall be dealt with pursuant to the ECSA and the QSA-JPA. However, should an environmental problem arise which results in a Transfer Stoppage as defined in the QSA, then notwithstanding the above language, the Transfer Stoppage shall be treated as a Force Majeure event.

(1) IID shall be required, at its own expense, to take whatever steps are reasonable to cure or resolve any effects of a Force Majeure event on its ability to undertake or continue its Water Conservation Efforts or otherwise to Make Available Conserved Water, and shall be relieved of any obligation to conserve or Make Available Conserved Water for acquisition by CVWD until the cure or resolution is accomplished. CVWD may withhold payments otherwise due until IID has cured or resolved such effects and Conserved Water again becomes available for acquisition by CVWD.

(2) CVWD shall be required, at its own expense, to take whatever steps are reasonable to cure or resolve a Force Majeure event on its ability to acquire, divert, receive, transport, or direct recharge Conserved Water and, until such cure or resolution is accomplished, shall be relieved of its payment obligations to IID. IID may itself use, or make available for lawful acquisition by others, the Conserved Water for which CVWD would otherwise have paid, and CVWD shall have no right to acquire the Conserved Water until it has cured or resolved such effects and again becomes obligated to make payments to IID.

## **ARTICLE 13**

### **EMINENT DOMAIN/TAKINGS**

**13.1 Effect on Agreement.** If at any time during the term of this Agreement, any of the Conserved Water to be made available to CVWD by IID pursuant to this Agreement is taken for any part of the remaining term of this Agreement by lawful exercise of the power of eminent domain by any sovereign, municipality, public or private authority or other person ("taking"), the terms of this Agreement shall not be affected in any way, except that for the period of the taking as to the Conserved Water taken only, IID shall be relieved of its obligation to make such Conserved Water available to CVWD and CVWD shall be relieved of its obligation to pay IID for such Conserved Water. Each Party hereby waives any right it may have under the provisions of Code of Civil Procedure § 1265.130 to petition the Superior Court to terminate this Agreement.

**13.2 Compensation for Taking.** The compensation paid for any taking of Conserved Water otherwise to be Made Available to CVWD pursuant to this Agreement (the "subject Conserved Water") shall be separately assessed under Code of Civil Procedure § 1260.220(a) according to each Party's interest as follows:

(1) CVWD shall be entitled to:

(i) Any compensation paid for the amount attributable to the market value of the subject Conserved Water for the period from the date of the taking to the earlier of the date of the end of the taking or the term of this Agreement in excess of (x) the present value at the date of the taking of the amounts that CVWD would otherwise be obligated to pay to IID for the subject Conserved Water under this Agreement and (y) the market value, if any, attributed to MWD's unexercised Right of First Refusal and Secondary Option under the IID/MWD Acquisition Agreement with respect to the subject Conserved Water to the extent compensation is allowable therefor under applicable law.

(ii) Any compensation paid for severance damage to CVWD attributable to the taking of the subject Conserved Water; and

(iii) Any compensation paid for loss of goodwill to CVWD attributable to the taking of the subject Conserved Water.

(2) IID shall be entitled to all other compensation paid, including but not limited to:

(i) Any compensation paid for the present value at the date of the taking of the amounts that CVWD would otherwise be obligated to pay to IID for the subject Conserved Water under this Agreement;

(ii) Any compensation paid for severance damage to IID attributable to the taking of the subject Conserved Water; and

(iii) Any compensation paid for the loss of goodwill to IID attributable to the taking of the subject Conserved Water.

(3) Nothing in this Article 13 shall affect the right of either Party to relocation assistance benefits.

(4) Nothing in this Article 13 shall affect the rights or claims of either Party with respect to a taking of some or all of its water rights, including Colorado River water rights.

## **ARTICLE 14**

### **MISCELLANEOUS**

**14.1 Retention of Water Rights; No "Property" Rights in Water Rights Created Hereunder.** This Agreement does not in any way transfer, assign, encumber, or grant to CVWD any ownership interest in or control over any water rights held by IID, and does not in any way



transfer, assign, encumber, or grant to IID any ownership interest or control over any water rights held by CVWD. IID and CVWD covenant and agree not to assert against each other any such interest in or control over any water rights of the other Party.

**14.2 Contracts with Landowners.** Should IID contract with any Landowners to undertake Water Conservation Efforts, IID shall solely contract with the Contracting Landowners and shall be solely responsible for enforcing the terms of such contracts. IID shall bear the sole responsibility and consequences of a breach by any Contracting Landowner. CVWD shall not be a third-party beneficiary to any of the contracts between the Contracting Landowners and IID, and CVWD shall not have or acquire any rights by virtue of those contracts.

**14.3 Water Use.** (1) During the Term of this Agreement, and except as to the Allocation of Shortfall provisions of Article 11 above, neither IID or CVWD will challenge the water use practices or reasonableness of water use of the other, or in any way seek to reduce each other's rights to Consumptive Use of Colorado River water or each other's acquisition of Conserved Water as set forth in the QSA; and (2) during the Term of this Agreement and for six (6) years thereafter, CVWD covenants that in dealing directly with IID, CVWD shall conclusively presume that any water conserved for transfer or acquisition or used by IID for environmental mitigation purposes through Temporary Land Fallowing or crop rotation was conserved by IID in the same volume as if conserved by efficiency improvements such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields. Also, during the Term of this Agreement and for six (6) years thereafter, CVWD covenants that in any administrative, judicial or legislative proceeding involving evaluation or assessment of IID's use of water, CVWD will not oppose (but shall not be required to support) IID's position that any water conserved for transfer or acquisition or used by IID for environmental mitigation purposes through Temporary Land Fallowing or crop rotation must be conclusively presumed to have been conserved by IID in the same volume as if conserved by efficiency improvements, such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields. CVWD further covenants that it will not oppose (but shall not be required to support) any effort by IID to cause any administrative, legislative or judicial body evaluating or assessing IID's use of water during the Term of this Agreement and for six (6) years thereafter to make the same conclusive presumption. In addition, CVWD covenants that, during the term of the QSA and for six (6) years thereafter, CVWD will not support (but shall not be required to oppose) in any forum, including any activity before any legislative, administrative or judicial body, any proposal to require the creation of Conserved Water for acquisition or transfer by IID after December 31, 2017 through the use of Temporary Land Fallowing, permanent land fallowing or crop rotation. CVWD also agrees that it will not oppose (but shall not be required to support) IID's position that it has the right to Consumptive Use of Colorado River Water or IID created Conserved Water to mitigate environmental impacts resulting from the acquisition or transfer of Conserved Water contemplated by the QSA as set forth in the ECSA and the Exhibits thereto. CVWD does not oppose (but shall not be required to support) the right of IID to create all Conserved Water by efficiency improvements without providing any mitigation water after Calendar Year 2017, as reflected on the Compromise IID/SDCWA and QSA Delivery Schedule attached as Exhibit B.

**14.4 Other Transfers of Water by IID.** During the Term of this Agreement, with the exception of any transfer initiated or to be initiated during a period in which a Shortfall needs to be allocated pursuant to Article 11 above, CVWD hereby consents and will not object to any transfer or use of water by IID outside the Imperial Service Area provided such transfer or use does not result in reduction in water available to CVWD as set forth in the QSA. IID acknowledges that CVWD's consent during the Term of this Agreement does not waive CVWD's position following expiration of the Term of this Agreement that the Compromise Agreement signed by the Parties on February 14, 1934, limits IID's rights to divert Colorado River water pursuant to its Section 5 contract to water that IID can put to beneficial use exclusively in its service area. CVWD acknowledges that CVWD's consent during the Term of this Agreement does not waive IID's position that CVWD's consent is not required to conserve and transfer Colorado River water for consumptive use outside IID's service area.

**14.5 Other Transfers of Water by CVWD.** During the Term of this Agreement, except as provided in Section 3.6 above, CVWD covenants to not transfer or assign to any person for use outside CVWD Improvement District No. 1, other than for recharge of CVWD Improvement District No. 1: (i) any of its right to Consumptive Use of Colorado River water; or (ii) the right to use any conserved water created by CVWD.

**14.6 CVWD Groundwater Storage of IID Water.** CVWD grants to IID the right to store IID water in the groundwater basin in the Coachella Valley and to utilize CVWD's groundwater recharge and extraction facilities upon the payment to CVWD of actual costs, all as more specifically set forth in a Groundwater Storage Agreement in the form substantially similar to that attached as Exhibit C.

**14.7 Re-Transfer.** CVWD has no right to re-transfer Conserved Water acquired from IID. If CVWD exchanges Conserved Water acquired from IID for MWD-delivered water, and if the exchange obligation of each party must be and actually is fulfilled within a single Year, then that exchange is not a re-transfer and is not subject to the prohibition set forth above. Should CVWD reduce its use of Colorado River water in any Year so that MWD can acquire a corresponding amount in that same year pursuant to the terms of the CVWD/MWD Acquisition Agreement, the MWD/CVWD Transfer and Exchange Agreement, the Agreement Between MWD and CVWD for Exchange of Water dated July 7, 1983, or the Advance Delivery Agreement dated June 28, 1984, and should CVWD have previously acquired from MWD a volume of water greater than or equal to the amount that MWD is to acquire and for which CVWD is obligated to make available (including conjunctive use programs), then CVWD's reduction and MWD's acquisition shall not be considered a re-transfer of Conserved Water acquired from IID in that year. Other than as provided in Section 3.6 herein, CVWD shall not use Conserved Water outside of Improvement District No. 1 for purposes other than recharge of Improvement District No. 1, CVWD's non-diversion of Conserved Water in order to make a cure payment under the Inadvertent Overrun and Payback Policy, or in order to make a settling up payment to IID of a Shortfall under Article 11 above will not be considered a re-transfer. CVWD will provide IID with information regarding any exchanges with MWD or other allowed uses such that IID is able to timely determine CVWD's compliance with this provision.

**14.8 Calendar-Year Limitation.** CVWD's right to acquire Conserved Water under this Agreement is not cumulative, and CVWD has no right to any such Conserved Water that it

does not divert within the Year. Thus, if CVWD fails to divert all of the Conserved Water to which it is entitled under this Agreement in any one Year, the amount which CVWD is entitled to acquire (and the amount that IID is obligated to Make Available under this Agreement) in any other Year is unaffected.

**14.9 Salton Sea Mitigation Water.** CVWD shall, at no expense or cost to CVWD, cooperate with IID and SDCWA's efforts to provide salinity management water to the Salton Sea as provided in this section. IID shall make available Conserved Water to SDCWA. If necessary, SDCWA shall exchange a portion of such water with CVWD for water from other non-Colorado River sources to be delivered to the Salton Sea or cause such water to be delivered to the Salton Sea through forbearance arrangements with IID.

**14.10 Settlement and Efficiency Conservation Opportunity Payment.** In consideration of (i) the settlements reached with CVWD and MWD through the QSA, and (ii) the opportunity to increase the conservation ramp-up schedule and utilize conservation methods of IID's choice, including efficiency conservation, as set forth in the IID/DWR Agreement, IID shall pay to the QSA-JPA twenty-four million dollars (\$24,000,000) in Effective-Date Dollars, on the schedule attached as an exhibit to the QSA-JPA.

## **ARTICLE 15**

### **DEFAULT AND DISPUTES**

**15.1 Events of Default by CVWD.** Each of the following constitutes an "Event of Default" by CVWD under this Agreement:

(1) **Payment.** CVWD fails to pay the required amount by the Due Date. If CVWD fails to pay the required amount by the Due Date, the delinquent payment will also bear a Late Payment Charge as set forth in Section 6.3 until paid in full.

(2) **Other Promises.** CVWD fails to perform or observe any term, covenant, or undertaking in this Agreement that it is to perform or observe, and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in Section 19.6.

(3) **Warranties and Representations.** Any warranty, representation, or other statement made by or on behalf of CVWD and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be, false, misleading, or untrue in any material respect.

**15.2 Events of Default by IID.** Each of the following constitutes an "Event of Default" by IID under this Agreement:

(1) **Transfer.** IID fails to Make Conserved Water Available for acquisition by CVWD in the quantities and on the schedule specified in this Agreement.

(2) **Other Promises.** IID fails to perform or observe any term, covenant, or undertaking in this Agreement that it is to perform or observe, and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in Section 19.6.

(3) **Warranties and Representations.** Any warranty, representation, or other statement made by or on behalf of IID and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be, false, misleading, or untrue in any material respect.

**15.3 Certain Disputes Between IID and CVWD.** Any disagreements between IID and CVWD concerning the amount of an invoice or settling-up invoice, the calculation or application of the Inflation Index, or the calculation of capacity and actual costs for CVWD groundwater storage of IID water, shall not be considered Events of Default, but instead considered Arbitration Disputes which are resolved pursuant to Sections 17.1 and 17.2.

**15.4 Determination of Reasonableness of Steps Taken to Cure or Resolve Effects of a Force Majeure Event.** Any disagreements between IID and CVWD concerning the reasonableness of steps taken by CVWD or IID to cure or resolve the effects of a Force Majeure event shall be resolved pursuant to Sections 17.1 and 17.3.

## **ARTICLE 16**

### **REMEDIES**

**16.1 Specific Performance for Defaults.** Each Party recognizes and agrees that the rights and obligations set forth in this Agreement for defaults are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party defaults by not performing in accordance with the specific wording of any of the provisions in this Agreement applicable to that Party, or otherwise breaches, other than those issues that are Disputes as set forth in Section 15.3, the other Party would likely suffer irreparable harm. Therefore, if either Party breaches this Agreement, an action at law for damages or other remedies at law would be wholly inadequate to protect the unique rights and interests of the other Party to the Agreement. Accordingly, in any court controversy concerning this Agreement, the Agreement's provisions will be enforceable in a court of equity by a decree of specific performance. This specific-performance remedy is not exclusive and is in addition to any other remedy available to the Parties.

**16.2 Cumulative Rights and Remedies.** The Parties do not intend that any right or remedy given to a Party on the breach of any provision under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delays in exercising any such right or remedy, the non-breaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power, or privilege precludes any other or further exercise of a right, power, or privilege granted by this Agreement or otherwise.

**16.3 Actions or Proceedings Between the Parties.** Each Party acknowledges that it is a "local agency" within the meaning of § 394(c) of the California Code of Civil Procedure ("CCP"). Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under § 394(a) of the CCP, as a matter of law be subject to

- (1) Being transferred to a Neutral County, or
- (2) Instead, having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.
- (3) Each Party hereby:
  - (i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action or proceeding;
  - (ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;
  - (iii) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and
  - (iv) Acknowledges that this Agreement, and in particular this section, may be submitted to the court as part of the moving papers.

Nothing in this Section 16.3, shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

## **ARTICLE 17**

### **RESOLUTION OF DISPUTES**

Arbitration Disputes between the Parties described in Section 15.3, shall be resolved pursuant to the provisions of Sections 17.1 and 17.2 of this Article. All other disputes involving Events of Default shall be resolved pursuant to the provisions of Section 17.1 and 17.3 of this Article.

**17.1 Meeting of General Managers.** Within thirty (30) days of the Parties identifying the existence of a dispute, the General Managers of IID and CVWD shall meet and attempt to resolve the dispute to their mutual satisfaction. Any such resolution shall be in writing and be binding on the Parties.

**17.2 Arbitration.** Any dispute listed in Section 15.3 arising out of this Agreement which cannot be resolved by agreement shall be resolved through binding arbitration conducted in a Neutral County or such other location as the Parties may agree. Arbitration proceedings may be initiated by either Party sending a demand for arbitration to the other Party in conformance with the Notice provisions of this Agreement. The Parties shall impanel a group of three arbitrators by each selecting an arbitrator of their choice who shall then select the third member of the panel. If the two arbitrators appointed by the Parties cannot agree on the selection of a third arbitrator within ten (10) Business Days from the initiation of the arbitration proceeding, the third neutral arbitrator shall be selected by the presiding judge of the Neutral County Superior Court. At least one of the arbitrators must be a person who has actively engaged in the practice of law with expertise deciding disputes and interpreting contracts. Prior

to the commencement of proceedings, the appointed arbitrators will take an oath of impartiality. The Parties shall use their reasonable best efforts to have the arbitration proceeding concluded within ninety (90) Business Days of the selection of the third panel member.

In rendering the award, the arbitrators shall determine the rights and obligations of the Parties according to the substantive and procedural laws of California. All discovery shall be governed by the CCP with all applicable time periods for notice and scheduling provided therein being reduced by one-half (½). The arbitrators may establish other discovery limitations or rules. The arbitration process will otherwise be governed by the Commercial Arbitration Rules of the American Arbitration Association. All issues regarding compliance with discovery requests shall be decided by the arbitrators. A decision by two of three arbitrators will be deemed the arbitration decision. The arbitration decision shall be in writing and shall specify the factual and legal bases for the decision. The decision of such arbitrators shall be final and binding upon the parties, and judgment upon the decision rendered by the arbitration may be entered in the Neutral County superior court.

The costs (including, but not limited to, reasonable fees and expenses of counsel and expert or consultant fees and costs), incurred in an arbitration (including the costs to enforce or preserve the decision) shall be borne by the Party whom the decision is against. If the decision is not clearly against one Party on one or more issues, each Party shall bear its own costs. The arbitration decision shall identify whether any Party shall be responsible for the other Party's costs.

**17.3 Trial of Certain Disputes.** Any dispute to be resolved pursuant to the provisions of this Section 17.3 shall be determined following trial by a Judge Pro Tempore from a Neutral County appointed by the Presiding Judge of the County in which a complaint is filed pursuant to the venue rules in the California Code of Civil Procedure. The proceeding shall be initiated when one Party sends a copy of the complaint intended to be filed with the Superior Court in the appropriate County. The General Managers and attorneys for the Parties shall meet within ten (10) Business Days of mailing, faxing or e-mail transmission of the proposed complaint to determine whether agreement can be reached on a particular retired Superior Court Judge to preside over the trial. The complaining Party shall thereafter file the complaint in the appropriate County. The Parties agree that at the appropriate time they will stipulate to the appointment by the Presiding Judge of the Superior Court for that County of the retired judge agreed upon as the Judge Pro Tempore to preside over the case for all purposes. If the Parties cannot agree upon a retired judge, the venue, filing and the normal trial procedures for Superior Court cases shall apply; provided, however, that any judge assigned to the case shall be from a Neutral County. The Parties agree that the issues in the case shall be tried and determined by the Court as nonjury issues.

## **ARTICLE 18**

### **REPRESENTATIONS AND WARRANTIES**

#### **18.1 IID's Representations and Warranties.**

(1) **Due Authority and Approval.** Subject only to any approvals and conditions required under Article 9 of this Agreement and compliance with environmental laws pursuant to Article 10 of this Agreement: (i) IID has all legal power and authority to enter into this Agreement, to implement its Water Conservation Efforts, and to make the Conserved Water available for CVWD acquisition on the terms set forth in this Agreement, and (ii) the execution and delivery of this Agreement and IID's performance of its obligations under the Agreement have been duly authorized by all necessary actions of IID, and no other act or proceeding by IID is necessary to authorize such execution, delivery, or performance.

(2) **Signatories.** The persons executing this Agreement on behalf of IID have full power and authority to bind IID to the terms of this Agreement. In addition, the persons signing this Agreement on IID's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on the IID's behalf personally warrant and represent that they have reviewed this Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to any approvals required under Article 9 of this Agreement and compliance with environmental laws pursuant to Article 10 of this Agreement, this Agreement constitutes the valid and binding agreement of IID, enforceable against IID in accordance with the terms of the Agreement.

(4) **No Conflicts.** The execution and implementation of this Agreement do not violate or trigger default under any law or other agreement to which IID is subject.

(5) **No Pending or Threatened Disputes.** Except as disclosed on Exhibit D attached hereto, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to IID's knowledge, threatened against or affecting IID relating to the performance contemplated by this Agreement, including the adequacy of the Water Conservation Efforts undertaken by IID, IID's Making Conserved Water Available for acquisition by CVWD, and CVWD's payment for such Conserved Water.

(6) **Notice of Developments.** IID agrees to give prompt notice to CVWD if IID discovers that any of its own representations and warranties were untrue when made or determines that any of its own representations and warranties will be untrue as of the Effective Date.

#### **18.2 CVWD's Representations and Warranties.**

(1) **Due Authority/Approval.** Subject only to the approvals and conditions required under Article 9 of this Agreement and compliance with environmental laws pursuant to Article 10 of this Agreement: (i) CVWD has all legal power and authority to enter into this Agreement and to acquire the Conserved Water on the terms set forth in this Agreement, and

(ii) the execution and delivery of this Agreement and CVWD's performance of its obligations under the Agreement have been duly authorized by all necessary actions of CVWD, and no other act or proceeding by CVWD is necessary to authorize such execution, delivery, or performance.

(2) **Signatories.** The persons executing this Agreement on behalf of CVWD have full power and authority to bind CVWD to the terms of this Agreement. In addition, the persons signing this Agreement on CVWD's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on CVWD's behalf personally warrant and represent that they have reviewed the Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to any approvals and conditions required under Article 9 of this Agreement and compliance with environmental laws pursuant to Article 10 of this Agreement, this Agreement constitutes the valid and binding agreement of CVWD, enforceable against CVWD in accordance with the terms of the Agreement.

(4) **No Conflicts.** The execution and implementation of the Agreement do not violate or trigger default under any law or other agreement to which CVWD is subject.

(5) **No Pending or Threatened Disputes.** Except as disclosed on Exhibit E attached hereto, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to CVWD's knowledge, threatened against or affecting CVWD relating to the performance contemplated by this Agreement, including the adequacy of the Water Conservation Efforts undertaken by IID, IID's Making Conserved Water Available for acquisition by CVWD, and CVWD's use of the acquired Conserved Water and its payment for such Conserved Water.

(6) **Notice of Developments.** CVWD agrees to give prompt notice to IID if CVWD discovers that any of its own representations and warranties were untrue when made or determines that any of its own representations and warranties will be untrue as of the Effective Date.

## **ARTICLE 19**

### **GENERAL PROVISIONS**

**19.1 No Third-Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

**19.2 Counting Days.** Days shall be counted by excluding the first day and including the last day, unless the last day is not a Business Day, and then it shall be excluded. Any act required by this Agreement to be performed by a certain day shall be timely performed if it is completed before 5:00 p.m. Pacific Time on that date, unless otherwise specified. If the day for performing any obligation under this Agreement is not a Business Day, then the time for performing that obligation shall be extended to 5:00 p.m. Pacific Time on the next Business Day.



**19.3 Ambiguities.** Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

**19.4 Governing Law.** California law governs this Agreement and any dispute arising from the contractual relationship between the Parties under the Agreement.

**19.5 Binding Effect; No Assignment.** This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any Assignment or Delegation made in violation of this Agreement is void and of no force or effect.

**19.6 Notices.** All notices, requests, demands, or other communications under this Agreement must be in writing, and sent to both addressees of each Party. Notice will be sufficiently given for all purposes as follows:

- *Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.
- *First-Class Mail.* When mailed first-class to the last address of the recipient known to the Party giving notice. Notice is effective five mail delivery days after it is deposited in a United States Postal Service office or mailbox.
- *Certified Mail.* When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.
- *Overnight Delivery.* When delivered by an overnight delivery service such as Federal Express, charged prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

Addresses for purpose of giving notice are as follows:

To IID:	Imperial Irrigation District 333 E. Barioni Boulevard P.O. Box 937 Imperial, California 92251 Attn: General Manager Telephone: (760) 339-9477
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With a copy to:	Horton, Knox, Carter & Foote 895 Broadway El Centro, California 92243 Attn: John P. Carter, Chief Counsel Telephone: (760) 352-2821
To CVWD:	Coachella Valley Water District P.O. Box 1058 Coachella, California 93326 Attn: General Manager and Chief Engineer Telephone: (760) 398-2651
With a copy to:	Redwine & Sherrill 1950 Market Street Riverside, California 92501 Attn: Gerald Shoaf Telephone: (909) 684-2520

A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service. A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.

**19.7 Entire Agreement.** This Agreement (including the exhibits and other agreements attached to or referenced in this Agreement) constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the acquisition of Conserved Water by CVWD from IID, and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

**19.8 Time of the Essence.** Time is of the essence of and under this Agreement and of every provision thereof.

**19.9 Modification.** This Agreement may be supplemented, amended, or modified only by the agreement of the Parties. No supplement, amendment, or modification will be binding unless it is in writing and signed by both Parties.

**19.10 Waiver.** No waiver of a breach, failure of condition, or any right or remedy contained in or granted by the provisions of this Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of a breach, failure of condition, or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

**19.11 Joint Defense.** The Parties agree to proceed with reasonable diligence and use reasonable best efforts to jointly defend any lawsuit or administrative proceeding challenging the legality, validity, or enforceability of any term of this Agreement, or any Party's right to act in accordance with any of the terms of this Agreement.

IN WITNESS WHEREOF, IID and CVWD have executed this Agreement as of the day and year first written above.

"IID"

IMPERIAL IRRIGATION DISTRICT, a  
California irrigation district

By: [Signature]  
Its: PRESIDENT

By: Gloria A. Rivera  
Its: Secretary

Approved as to form:

By: [Signature]  
Its: Chief Counsel

"CVWD"

COACHELLA VALLEY WATER  
DISTRICT, a California county water district

By: [Signature]  
Its: General Manager-Chief Engineer

Approved as to form:

By: [Signature]  
Its: GENERAL COUNSEL

## **EXHIBIT A**

# EXHIBIT A

## First Fifty Thousand

			<b>Total First and Second Fifty-Three Thousand Volume (KAF)</b>
<b>Agreement Year</b>	<b>Calendar Year</b>	<b>Volume (KAF)</b>	
1	2003	0	0
2	2004	0	0
3	2005	0	0
4	2006	0	0
5	2007	0	0
6	2008	4	4
7	2009	8	8
8	2010	12	12
9	2011	16	16
10	2012	21	21
11	2013	26	26
12	2014	31	31
13	2015	36	36
14	2016	41	41
15	2017	45	45
16	2018	50	See below
<b>Second Fifty-Three Thousand</b>			
16	2018	13	63
17	2019	18	68
18	2020	23	73
19	2021	28	78
20	2022	33	83
21	2023	38	88
22	2024	43	93
23	2025	48	98
24	2026	53	103
25	2027	53	103
26	2028	53	103
<b>Through</b>	<b>Through</b>	<b>...</b>	<b>...</b>
45	2047	53	103

## **EXHIBIT B**

**EXHIBIT B**  
**COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE**

Agmt Yr	Cal Yr	IID/SD (KAF)	IID/CVWD (KAF) <sup>1</sup>	IID/MWD (KAF)	Total Delivery (KAF)	Total Efficiency (KAF)	Fallowing for Delivery (KAF)	Mitigation Fallowing (KAF)	Total Fallowing (KAF)
1	2003	10	0	0	10	0	10	5	15
2	2004	20	0	0	20	0	20	10	30
3	2005	30	0	0	30	0	30	15	45
4	2006	40	0	0	40	0	40	20	60
5	2007	50	0	0	50	0	50	25	75
6	2008	50	4	0	54	4	50	25	75
7	2009	60	8	0	68	8	60	30	90
8	2010	70	12	0	82	12	70	35	105
9	2011	80	16	0	96	16	80	40	120
10	2012	90	21	0	111	21	90	45	135
11	2013	100	26	0	126	46	80	70	150
12	2014	100	31	0	131	71	60	90	150
13	2015	100	36	0	136	96	40	110	150
14	2016	100	41	0	141	121	20	130	150
15	2017	100	45	0	145	145	0	150	150
16	2018	130	63	0	193	193	0	0	0
17	2019	160	68	0	228	228	0	0	0
18	2020	192.5	73	2.5	268	268	0	0	0
19	2021	205	78	5.0	288	288	0	0	0
20	2022	202.5	83	2.5	288	288	0	0	0
21	2023	200	88	0	288	288	0	0	0
22	2024	200	93	0	293	293	0	0	0
23	2025	200	98	0	298	298	0	0	0
24	2026	200	103	0	303	303	0	0	0
25	2027	200	103	0	303	303	0	0	0
26	2028	200	103	0	303	303	0	0	0
27-45	2029-2047	200	103	0	303	303	0	0	0
46-75	2048-2077	200	50	0	250	250	0	0	0

<sup>1</sup> or MWD if CVWD declines to acquire.

## **EXHIBIT C**



EXHIBIT C

AGREEMENT FOR STORAGE OF  
GROUNDWATER

By and Between

COACHELLA VALLEY WATER DISTRICT,  
a California County Water District  
("CVWD")

and

IMPERIAL IRRIGATION DISTRICT,  
a California County Water District  
("IID")

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## **AGREEMENT FOR STORAGE OF GROUNDWATER**

THIS AGREEMENT FOR STORAGE OF GROUNDWATER ("Agreement") is made and entered into this 10TH day of October, 2003 by and between COACHELLA VALLEY WATER DISTRICT, a California County Water District ("CVWD") and Imperial Irrigation District, a California Irrigation District ("IID"). IID and CVWD are sometimes referred to individually as a "Party" and collectively as "Parties."

### **RECITALS**

A. CVWD is a county water district, organized under the *California County Water District Law*, codified at *Section 30000 et seq.* of the *California Water Code* and delivers water in Riverside County, California for potable and irrigation purposes.

B. IID is an irrigation district, organized under the *California Irrigation District Law*, codified at *Section 20500, et seq.* of the *California Water Code* and delivers water in Imperial County, California for potable and irrigation purposes.

C. IID is a contractor with the United States of America for the delivery of Colorado River water as authorized by the *Boulder Canyon Project Act* (Act of December 21, 1928; 45 Stat. 1057, as amended). Pursuant to such contract, IID is entitled along with certain other entities, including CVWD, to beneficial consumptive use of certain quantities of Colorado River water.

D. The service area of CVWD is divided into an upper valley and lower valley which have groundwater basins (collectively, "Basins")

E. IID desires to acquire storage space from CVWD and CVWD desires to provide storage space to IID in the Basins to store Colorado River water ("IID Water") on the terms and conditions set forth herein.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH THE PARTIES HEREBY ACKNOWLEDGE, IID AND CVWD AGREE THAT THE TERMS OF THIS AGREEMENT ARE AS FOLLOWS:**

### **ARTICLE I**

#### **DEFINITIONS**

1.1 Except as set forth in the body of this Agreement, all capitalized terms shall have the meanings set forth in

Exhibit "A" attached hereto and by this reference incorporated herein.

## ARTICLE II

### STORAGE OF WATER

2.1 (a) Subject to the availability of storage in the Basins and the terms and conditions set forth herein, CVWD agrees to provide to IID storage for IID Water in the Basins. The determination of whether there is storage availability in the Basins shall be made by CVWD in its reasonable discretion. In determining the availability of storage capacity in the Basins, if any, CVWD shall assess (i) whether there is physical availability of space in the Basins to store water, (ii) whether the delivery of water by IID will potentially interfere with the delivery, recharge and storage of water by CVWD or other parties with pre-existing rights, (iii) whether the facilities exist ('Recharge Facilities,' 'Additional Recharge Facilities' and 'IID Recharge Facilities' as defined in Article III) to recharge and store the water into the Basins, and (iv) whether CVWD can reduce its consumptive use of Colorado River water in an equal amount for delivery by exchange to IID ('Return Water'). (It is the intent of the Parties that CVWD provide Return Water to IID by reduction of the consumptive use of Colorado River water by CVWD.)

(b) The rights of IID to store water in the Basins shall be subject to: (i) CVWD's storage needs in the Basins as determined by CVWD in its sole and absolute discretion, but subject to its good-faith obligation to IID under this Agreement; (ii) the pre-existing rights for the storage needs of the Metropolitan Water District of Southern California, a California public agency ("MWD"); (iii) the storage needs of certain public agencies with preexisting rights, which agencies are more particularly listed on Exhibit "B" attached hereto and by this reference incorporated herein; and (iv) Article IV below. CVWD, MWD and those entities listed on Exhibit "B" shall sometimes be referred to herein, collectively as the "Pre-existing Right Holders."

2.2 (a) IID shall provide written notice ("Storage Notice") to CVWD by October 1 of the preceding year in which IID desires to deliver Colorado River water to CVWD for the purpose of storage of such water in the Basins. The Storage Notice shall include the proposed acre feet to be stored in the Basins during the Calendar Year and the proposed delivery schedule of such water.

By December 1, prior to the year of proposed storage, CVWD shall provide written notice to IID of the amount of IID Water which may be stored in the Basins, if any, during the next calendar year and the schedule for acceptance of such water.

Notwithstanding the foregoing, IID acknowledges that, at the time of the actual delivery by IID of the IID Water, CVWD may not be able to store the IID Water due to natural disasters, acts of God or other reasons beyond CVWD's control. For these reasons if CVWD cannot store the agreed to IID Water in the Basins, IID agrees to waive and release all claims against CVWD and its officers, directors, employees, agents, successors and assigns (collectively, "Released Parties") arising from or in connection with the failure to store IID Water in the Basins or any loss in connection therewith.

### **ARTICLE III**

#### **RECHARGE FACILITIES**

3.1 It is the intent of CVWD to locate sites and construct facilities to recharge and store water into the Basins to accommodate a recharge capacity estimated to be 80,000 acre feet per year ('Recharge Facilities'). At the time of the execution of this Agreement, CVWD has (i) identified one or more locations acceptable to CVWD for the recharge of water into the Basins and (ii) proceeding to design and construct facilities to meet the intent of the Recharge Facilities noted above. IID's right to store IID Water at these facilities shall be subordinate to CVWD and the Pre-Existing Right Holders. Additional sites and facilities could be developed pursuant to the following Articles 3.2 through 3.5, and CVWD may also use "in lieu" recharge to recharge and store water in the Basins.

3.2 At any time during the term of this Agreement IID may, by written notice to CVWD, request that CVWD attempt to identify additional locations for recharge facilities or "in lieu" recharge opportunities which are satisfactory to recharge additional water into the Basins, in the sole and absolute opinion of CVWD, but subject to CVWD's good-faith obligation to IID under this Agreement. CVWD may, but shall not be obligated to, undertake such commission if IID agrees to be responsible for all costs and expenses incurred by CVWD. Upon written notice from CVWD, IID shall deposit such sum with CVWD as shall be reasonably required by CVWD ("Search Deposit"). The Search Deposit shall be held by CVWD for all costs and expenses incurred by CVWD to attempt to

locate or cause to be located, adequate locations to recharge water into the Basins. IID hereby authorizes CVWD to use the Search Deposit to offset costs and expenses, including staff and other labor costs, related to the foregoing. If further funds are necessary and based on a proper accounting of the Search Deposit, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an amount CVWD and IID considers sufficient to pay or reimburse CVWD's expenses and costs. CVWD shall not be required to undertake or continue to identify the location of additional sites unless and until IID delivers to CVWD the Search Deposit and the additional monies requested by CVWD and agreed to by IID. Once CVWD has provided written notice to IID that sites exist or do not exist, any excess or unused Search Deposit funds will be reimbursed to IID.

3.3 In the event CVWD identifies acceptable additional sites or in-lieu recharge opportunities, CVWD shall notify IID, in writing, of the location thereof and whether CVWD shall design and construct, or cause to be designed and constructed 'Additional Recharge Facilities' consisting of the following: water transmission facilities if required, recharge facilities, and pumping facilities ('Recovery Wells'), if required, to extract water from the Basins at such locations. In such event, IID's right to store IID Water at such sites shall only be subordinate to CVWD and not the Pre-Existing Right Holders.

3.4 If CVWD does not elect to construct the Additional Recharge Facilities or develop the additional in-lieu recharge opportunities, IID may elect to require CVWD to design and construct recharge facilities or in-lieu recharge opportunities at the identified site(s), 'IID Recharge Facilities'. In such event, IID shall pay all costs and expenses incurred or accrued in connection with the design and construction of the IID Recharge Facilities in accordance with the following:

(a) CVWD shall employ (with IID's approval and oversight), at IID's cost and expense, a qualified professional engineering firm to plan, design and prepare detailed construction plans and specifications for the IID Recharge Facilities in full and complete accordance with CVWD's design criteria and standards. Prior to hiring the engineering firm, CVWD shall notify IID, in writing, of the initial estimated cost of the engineering firm to complete the foregoing. IID shall deposit such sum with CVWD the amount set forth in the initial estimate plus an additional fifteen percent as a contingency amount ("Engineering Deposit"). The Engineering Deposit shall be held by CVWD for all costs and expenses incurred by CVWD pursuant to the agreement with the engineering firm. IID hereby authorizes

CVWD to use the Engineering Deposit to offset costs and expenses related to the foregoing. If further funds are necessary and IID agrees based on a proper accounting from CVWD, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an amount CVWD considers sufficient to pay or reimburse CVWD's costs and expenses. CVWD shall not be required to retain or continue the services of an engineering firm unless and until IID delivers to CVWD the Engineering Deposit and the additional funds requested by CVWD. Any excess or unused Engineering Deposit funds will be reimbursed to IID.

(b) IID shall pay or reimburse CVWD for (i) compliance with all laws, including environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act, arising out of or in connection with, construction of the IID Recharge Facilities and for compliance with all (ii) conditions and mitigation measures of each such consent or permit which must be satisfied in connection therewith. The term "environmental laws" shall include, without limitation, the California Environmental Quality Act, the National Environmental Policy Act and other applicable state and federal environmental laws.

(c) Following receipt of CVWD's and IID's approval of the design and construction plans and specifications and compliance with the environmental laws, CVWD shall employ a contractor to install the IID Recharge Facilities. IID shall pay all costs and expenses associated with the construction of the IID Recharge Facilities.

Prior to hiring the contractor, CVWD shall notify IID, in writing, of the initial estimated cost to construct the IID Recharge Facilities. IID shall deposit such sum with CVWD plus an additional fifteen percent as a contingency amount ("Construction Deposit"). The Construction Deposit shall be held by CVWD for all costs and expenses incurred by CVWD pursuant to the agreement with the contractor and inspections and other services relating to the construction. IID hereby authorizes CVWD to use the Construction Deposit to offset costs and expenses related to the foregoing. If further funds are necessary and IID agrees based on a proper accounting by CVWD, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an agreed to amount CVWD considers sufficient. CVWD shall not be required to retain or continue the services of a contractor unless and until IID delivers to CVWD the Construction Deposit and additional funds requested by CVWD. Any excess or unused Construction Deposit funds will be reimbursed to IID.

3.5 In the event IID has paid all of the costs set forth in sections 3.1 through 3.4, IID may request storage of IID Water pursuant to the provisions of Article II at the IID Recharge Facilities; and IID's right to recharge and store IID Water at

such IID Recharge Facilities shall be subject to availability of storage capacity in the Basins as determined by CVWD in its reasonable discretion. If such capacity exists, such IID Water storage shall be superior or senior to the Pre-Existing Right Holders, and IID's right to call for Return Water shall be subject to available capacity in the delivery facilities to deliver or allow the stored water to be used in CVWD's service area. Such reasonable discretion on the part of CVWD shall include a determination that said existing capacity is or will be needed by CVWD pursuant to its groundwater management plan during the relevant IID storage period.

3.6 At the termination of this Agreement, ownership of said IID Recharge Facilities shall revert to CVWD.

#### **ARTICLE IV**

##### **DELIVERY OF IID WATER TO CVWD FOR RECHARGE**

4.1 IID shall deliver the IID Water to CVWD at the Coachella Canal Heading on the All-American Canal for delivery of the IID Water through the Coachella Canal or such other location as shall be agreed to by the Parties ("Point of Delivery").

4.2 Notwithstanding the Point of Delivery, the risk of not delivering the IID Water to the Recharge Facilities, Additional Recharge Facilities and/or the IID Recharge Facilities shall remain with IID until such water has been delivered to the recharge facilities unless such non-delivery is a result of the gross negligence or willful misconduct of CVWD arising out of or in connection with the foregoing. IID agrees to waive and release all claims against CVWD arising from or in connection with the foregoing. Thus, for example, if there is a break in the Coachella Canal, and IID Water is lost due to the break, CVWD shall have no responsibility or liability to IID due to the loss of IID Water.

4.3 All IID Water delivered by IID to CVWD shall be measured by measuring devices and equipment installed or existing at the delivery structures at the Point of Delivery. In the event water is delivered to CVWD concurrently with the IID Water, the amount of IID Water shall be the total amount of water purportedly delivered less the total amount of water purportedly delivered to CVWD.

#### **ARTICLE V**

##### **PAYMENT TO CVWD FOR STORAGE AND RECHARGE OF IID WATER**

5.1 Before IID Water is delivered to CVWD for recharge and



storage, IID shall be notified of all costs including operations, maintenance, pro rated capital costs of the Recharge Facilities other than IID Recharge Facilities, administration and necessary consents, approvals, permits, licenses or entitlements, if any, from all groundwater authorities for the purposes necessary to implement the provisions of this Agreement. In addition, CVWD shall notify IID of all costs for compliance with all environmental laws and requirements of the Federal Endangered Species Act, arising out of or in connection with, transmission and delivery, recharge and storage of IID Water.

5.2 If IID agrees with these costs for the recharge and storage of IID Water in the Basins and IID pays to CVWD all costs and expenses incurred by or in connection with the transmission of IID Water from the Point of Delivery to the Recharge Facilities, Additional Recharge Facilities, and/or IID Recharge Facilities and the recharge and storage of IID Water through the Recharge Facilities, Additional Recharge Facilities and/or IID Recharge Facilities into the Basins in accordance with the formula attached as Exhibit "C" hereto and by this reference incorporated herein, and CVWD shall recharge and store the IID Water pursuant to this Agreement.

5.3 Any dispute arising hereunder concerning actual or estimated costs and/or expenses, including appropriate allocation thereof among various entities including any Party hereto and whether before or after CVWD issues an invoice therefor to IID, shall be resolved following the procedures for the resolution of disputes set forth in Article 17, Sections 17.1 and 17.2 of the "Agreement For Acquisition of Conserved Water" between the Parties hereto dated October 10, 2003.

## **ARTICLE VI**

### **IID'S STORAGE ACCOUNT**

6.1 On the execution of this Agreement, CVWD shall establish an account for water stored in the Basins for the benefit of IID ("IID's Storage Account").

6.2 The Parties acknowledge that there shall be a loss of a certain amount of IID Water from the Point of Delivery to the recharge of such water into the Basins due to evaporation, canal leakage and other like or similar causes. The Parties agree that for every acre foot delivered to CVWD at the Point of Delivery, five percent (5%) shall be deducted for such loss ("Delivery Loss").

6.3 The Parties acknowledge that there shall be a loss of a certain amount of IID Water after it is stored in the Basins. The Parties hereby agree that for every acre foot of IID Water delivered to CVWD at the Point of Delivery less Delivery Loss

pursuant to Article 6.2, IID shall be deemed to lose five percent (5%) of water per year due to such loss ("Storage Loss"). The annual loss shall be prorated over a three hundred sixty five day (365) period beginning on the day the IID Water is delivered to CVWD.

6.4 (a) Each month, IID's Storage Account shall be increased by the amount of IID Water delivered to the Point of Delivery described in section 4.1.

(b) IID's Storage Account shall be decreased by (i) the amount of Colorado River water returned to IID pursuant to the terms of Article VII below; (ii) any loss of IID Water not due to the gross negligence or willful misconduct of CVWD pursuant to Article 4.2 above, (iii) any amount of water calculated as a Delivery Loss per Article 6.2 above; and (iv) any amount of water calculated as a Storage Loss per Article 6.3 above.

## **ARTICLE VII**

### **RETURN OF STORED WATER**

7.1 IID shall provide written notice ("Return Water Notice") to CVWD by October 1 of the preceding year in which IID desires CVWD to return water ("Return Water") to IID. The Return Water Notice shall include the amount of Return Water requested by IID.

7.2 By December 1, prior to the year IID desires CVWD to provide Return Water, CVWD shall notify IID whether IID's Storage Account contains adequate water to satisfy IID's request and whether this water can be delivered to IID by exchange at the Imperial Dam Diversion Facilities. It is the intent of the Parties that CVWD provide Return Water to IID by reduction of the consumptive use of Colorado River water by CVWD.

7.3 CVWD performs its obligations to make the Return Water available for IID by reducing its consumptive use of the Colorado River water at the Imperial Dam by an amount equal to the lesser of (a) the amount of Return Water requested in the Return Water Notice, or (b) the amount of water listed in the IID Storage Account on January 1 of the Agreement Year the Return Water is to be delivered to IID; provided that CVWD shall not be required to make the Return Water available to IID greater than the maximum possible reduction of the consumptive use of Colorado River water by CVWD. When CVWD acts in that manner, CVWD has satisfied its obligation to make Return Water available for acquisition. IID accepts responsibility for the Return Water at the Imperial Dam.

IID bears the sole risk and responsibility of transporting the Return Water to its service area and any and all Conveyance

Losses shall be borne by IID.

7.4 IID acquires the Return Water beginning on January 1 of the Agreement Year in which CVWD shall provide the Return Water to IID. IID has the complete discretion within an Agreement Year on the scheduling of its diversions of the Return Water from Imperial Dam to IID's service area, subject to CVWD not being injured by reduced flow through the Coachella Canal.

## **ARTICLE VIII**

### **TERM**

8.1 This Agreement shall terminate at the earlier of seventy-five (75) years after the Benchmark Date; or concurrently with the termination of the Quantification Settlement Agreement.

8.2 At the end of the term or upon the early termination of this Agreement, neither the terms of this Agreement or the conduct of the Parties in performance of this Agreement, shall be construed to enhance or diminish the rights of either Party as such rights existed at the execution date, including without limitation, rights arising from the application of principles of reliance, estoppel, intervening public use, domestic or municipal priority, domestic or municipal shortage or emergency or equitable apportionment.

8.3 At the end of the term or upon early termination of this Agreement IID's Storage Account shall be reduced to zero. IID shall not be entitled to any compensation or replacement water for later storage in the Basins.

## **ARTICLE IX**

### **PAYMENT**

9.1 Invoices will be sent annually on June 1 itemizing the amount due to CVWD pursuant to the terms of this Agreement. The invoice shall also specify the date of mailing IID will send by the following July 1, a statement of acceptance of the invoice, or a statement detailing any disagreement in the amount due and owing. Payment of the undisputed amount and fifty percent (50%) of any disputed amount of any such invoice shall be due on the following August 1 ("Due Date"). Payment of the balance of any unpaid disputed amount or refund of any of the paid disputed amount shall be due on the tenth (10th) business day following final resolution of the payment dispute.

9.2 Every payment to CVWD required under this Agreement must be made in lawful money of the United States of America, to the order of CVWD and paid by wire transfer. The initial wire

transfer instructions are as follows:

Payment will be considered made upon confirmation of the funds being transferred and received by CVWD's bank on or before the Due Date, notwithstanding any clearing time or delay in CVWD's bank releasing funds to CVWD. CVWD may change these wire transfer instructions by giving a notice in accordance with section 13.1 below.

9.3 Payment of the amount required shall be delinquent if not received by CVWD before the close of crediting activity on the Due Date. In the event that IID is delinquent in the payment of any amount required, IID shall pay an additional charge ("Late Payment Charge") equal to one percent (1%) of the delinquent payment for each month or portion thereof that such payment remains delinquent.

## **ARTICLE X**

### **CONDITIONS TO THE PARTIES' OBLIGATIONS**

10.1 The obligations of the Parties under this Agreement are subject to the IID/CVWD Acquisition Agreement becoming effective.

## **ARTICLE XI**

### **DEFAULT**

11.1 Each of the following constitutes an "Event of Default" by CVWD under this Agreement:

(a) CVWD fails to perform or observe any term, covenant or undertaking in this Agreement that it is to perform or observe and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in section 13.1.

(b) Any warranty, representation or other statement made by or on behalf of CVWD and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be false, misleading or untrue in any material respect.

11.2 Each of the following constitutes an Event of Default by IID under this Agreement:

(a) IID fails to pay the required amount by the Due Date. If IID fails to pay the amounts required hereunder by the Due Date, that delinquent payment will bear a late payment

charge as set forth in section 9.1, until paid in full.

(b) IID fails to perform or observe any term, covenant or undertaking in this Agreement that it is to perform or observe and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in section 13.1.

(c) Any warranty, representation or other statement made by or on behalf of IID and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be false, misleading or untrue in any material respect.

## **ARTICLE XII**

### **REMEDIES**

12.1 Each Party recognizes that, apart from disputes regarding costs and expenses which are subject to resolution under the provisions of Section 5.3 above, the rights and obligations of the Parties under this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party does not perform in accordance with this Agreement, the other Party will likely suffer harm curable only by the imposition of an injunction requiring specific performance. Thus, each of the Parties agrees that any breach of this Agreement by any Party shall entitle the non-breaching Party to injunctive relief, including but not limited to, a decree of specific performance, in addition to any other remedies at law or in equity that may be available in the circumstances.

12.2 The Parties do not intend that any right or remedy given to a Party on the breach of any provisions under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delay in exercising any right or remedy, the non-breaching Party does not thereby waive the right or remedy. In addition, no single or partial exercise of any right, power or privilege precludes any other or further exercise of a right, power or privilege granted by this Agreement, or otherwise.

12.3 Each Party acknowledges that it is a "local agency" within the meaning of section 394(c) of the California Code of Civil Procedure (Code Civ.Proc.). Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under section 394(a) of the Code of Civil Procedure, as a matter of law be subject to:

(a) Being transferred to a "Neutral County," or instead having a disinterested judge for a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.

(b) Each Party hereby:

(i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action;

(ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the *California Rules of Court*;

(iii) Consents to having any motion under section 394(c) heard with notice as an ex parte matter under Rule 379 of the *California Rules of Court*; and

(iv) Acknowledges that this Agreement, and in particular this section 13.2, may be submitted to the court as part of the moving papers.

(c) Nothing in this section, however, shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

12.4 This Article shall not apply to disputes regarding costs and expenses which disputes shall be resolved under Section 5.3 of Article V above.

### **ARTICLE XIII**

#### **GENERAL PROVISIONS**

13.1 All notices, requests, demands or other communications under this Agreement must be in writing, and sent to the addresses of each Party set forth below. Notice will be sufficiently given for all purposes as follows:

*Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.

*Certified Mail.* When mailed certified mail, return receipt requested, postage prepaid. Notice is effective on receipt, if a return receipt confirms delivery.

*Overnight Delivery.* When delivered by an overnight

delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

*Facsimile Transmission.* Notice is effective on receipt, provided that the facsimile machine provides the sender a notice that indicates the transmission was successful, and that a copy is mailed by first-class mail on the facsimile transmission date.

Addresses for purpose of giving notice are as follows:

IID: Imperial Irrigation District  
Attention: General Manager

Mail: P.O. Box 937  
Imperial CA 92251

Personal/  
OvernightPersonal 333 E Barioni  
Blvd  
Overnight:Imperial CA 92251  
Telephone: 760-339-9477  
Facsimile: 760

CVWD: Coachella Valley Water  
District  
Attention: General Manager/Chief  
Engineer  
Mail: P.O. Box 1058  
Coachella CA 92236

Personal/ Highway 111 and Avenue 52  
Overnight: Coachella CA 92236  
Telephone: 760-398-2651  
Facsimile: 760-398-3711

(a) A correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

(b) A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.

13.2 No waiver of a breach, failure of condition or any right or remedy contained in or granted by the provisions of this

Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of a breach, failure of condition or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

13.3 This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

13.4 This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

13.5 Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

13.6 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of law provisions.

13.7 This Agreement is and will be binding upon and will inure to the benefit of the Parties and upon dissolution, the legal successors and assigns of their assets and liabilities. No Party may assign any of its rights or delegate any of its duties under this Agreement and any assignment or delegation made in violation of this Agreement shall be void and of no force or effect.

13.8 This Agreement (including the appendices and exhibits hereto constitutes the final, complete and exclusive statement of the terms of the Agreement among the Parties pertaining to its subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

13.9 This Agreement may be supplemented, amended or modified only by the written agreement of the Parties. No supplement, amendment or modification will be binding unless it is in writing and signed by all Parties.

13.10 The Parties hereby agree that during the term of this



Agreement that IID and its representatives shall have the right, during business hours and upon three (3) business day written notice, to have access to the books and records with respect to IID's Storage Account. CVWD shall be required to retain books and records for a three (3) year period after any Calendar Year.

13.11 If the performance of this Agreement, or any obligation hereunder, is interfered with by fire, explosion, an act of God, war, revolution, labor strife, civil commotion, or any act of public enemies, notwithstanding anything contained herein, the failure or delay in performance by either party shall be excused on a day by day basis to the extent of such interference provided that the Party so affected uses it reasonable efforts to remove such causes of non-performance.

WHEREFORE, the Parties hereto have executed this Agreement on the date set out above.

CVWD:

COACHELLA VALLEY WATER  
DISTRICT, a California County  
Water District

By \_\_\_\_\_  
Its: General Manager-Chief  
Engineer

By \_\_\_\_\_  
Its: \_\_\_\_\_

IID:

IMPERIAL IRRIGATION DISTRICT,  
a California Irrigation  
District

By \_\_\_\_\_  
Its: \_\_\_\_\_

By \_\_\_\_\_  
Its: \_\_\_\_\_

## **LIST OF EXHIBITS**

EXHIBIT "A"	DEFINITIONS
EXHIBIT "B"	PRE-EXISTING RIGHT HOLDERS
EXHIBIT "C"	COST FORMULA

## **EXHIBIT A**

### **DEFINITIONS**

**1998 IID/SDCWA Transfer Agreement** - The Agreement for Transfer of Conserved Water by and between IID and the San Diego County Water authority dated April 29, 1998.

**Agreement Year** - As defined in Section 1.1(i) of the 1998 IID/SDCWA Transfer Agreement.

**Benchmark Date** - As defined in Section 1.1(r) of the 1998 IID/SDCWA Transfer Agreement.

**Calendar Year** - The twelve (12)-month period running from January 1 through December 31.

**California Environmental Quality Act** (CEQA) - California Public Resources Code §§ 2100 et seq.

**Conveyance Losses** - The actual loss of water to evaporation, seepage, or other similar cause resulting from any transportation of Conserved Water from Imperial Dam to the CVWD service area or to the MWD service area, as the case may be.

**IID/CVWD Acquisition Agreement** - The Agreement for Acquisition of Conserved Water by and between IID and CVWD dated October 10, 2003.

**National Environmental Policy Act ("NEPA")** - Title 4, United States Code § 4321 et seq., 40 Code of Federal Regulations § 1500.1 et seq.

**Quantification Settlement Agreement** - The agreement of same title among CVWD, The Metropolitan Water District of Southern California and the IID dated October 10, 2003.

EXHIBIT B

DESERT WATER AGENCY

## **EXHIBIT C**

### **COST FORMULA**

Within thirty (30) days of the identification of Recharge Facilities or Additional Recharge Facilities by CVWD, or the identification of IID Recharge Facilities by IID, CVWD and IID shall meet and confer and negotiate in good faith to set a formula by which IID shall pay CVWD for all costs and expenses incurred by CVWD in connection with the transmission of water from the Point of Delivery, to the Recharge Facilities, into the basins, and the delivery of Return Water. Should CVWD and IID be unable to reach agreement within sixty (60) days of their initial meeting, any remaining disagreements shall be determined in accordance with Section 17.2 of the IID/CVWD Acquisition Agreement.

**EXHIBIT D**

## EXHIBIT D

### IID's Pending and Threatened Litigation Disclosure

The following actions, suits, legal or administrative proceedings, or governmental investigations are pending, or (to IID's knowledge) have been threatened relating to the performance of this Agreement. By listing the items here, IID does not imply that any of these matters have merit and, in fact, IID disputes the legitimacy of all the below matters. They are provided here simply as a disclosure of their existence or threat, per the Agreement.

1. United States Part 417 Proceeding (2003) -- IID is currently engaged in a dispute with the United States over IID's 2003 water order, with an appeal to the Secretary of the Interior from the Regional Director's Final Determination due to be filed later this month. The 2003 Part 417 review of IID will be terminated by the United States and IID's order approved as part of the QSA settlement.
2. United States Part 417 Proceeding (Future Years) -- Though IID disputes the legal ability of the United States to review IID's water use under Part 417, the United States contends that it has the right to review IID's water use under that regulation on a yearly basis. In future years such review is required to be in compliance with obligations of the United States in the QSA package of documents, and IID and the United States have reserved their litigation rights.
3. IID v. United States, et al. (Case No. 03 CV 0069W (JFS), Southern District California) This case pertains to IID's 2003 water order. It is currently stayed and will be dismissed as part of the overall QSA settlement.
4. Reasonable Beneficial Use Lawsuits/Actions By Junior Appropriators and Others -- Junior appropriators MWD and CVWD have threatened to sue IID over its reasonable beneficial use of water. The QSA settlement controls MWD's and CVWD's rights to commence such proceedings during the QSA. Other entities not constrained by the QSA may sue IID.
5. Morgan, et al. v. Imperial Irrigation District (Case No. L-01510, Superior Court of California, Imperial County)-- This is a lawsuit against IID and "All Persons Interested" brought by certain landowners in IID. This "Morgan Group" of plaintiffs consists of disgruntled landowners in the Imperial Valley who have asserted in this case, and/or in other places at other times, the following general issues: (a) they have "revoked" their status as beneficiaries and thus IID has no authority over Colorado River water; (b) IID has mismanaged its water right; (c) the landowners have the right to make their own deals with third parties to transfer water outside the IID service area; (d) IID cannot agree to the QSA without landowner consent; (e) methods being discussed by IID to implement the conservation programs required under the QSA documents are unfair and improper; (f) other similar complaints about IID and its management.
6. Imperial Valley Actions -- Many residents, landowners, farmers, and groups in the Imperial Valley are not in agreement with IID over the terms of the QSA, and have threatened to take action. The exact nature and extent of such possible action is unknown to IID.

7. Environmental Lawsuits/Actions -- Though the QSA and transfers were subject to extensive environmental review and provide for extensive environmental mitigation, various environmental groups and citizens have asserted that mitigation is inadequate or that the environmental documentation is inadequate. The exact nature and extent of such possible action is unknown to IID.

8. Lining Of All American Canal -- Many persons, both in the United States and in Mexico, appear to use groundwater that is being supplied by seepage from the All-American Canal. Lining will reduce access to seepage groundwater once the canal is lined. Persons have complained about this situation, and it is possible that such persons (and perhaps Mexico) will attempt to stop such lining.

9. Indian Tribes -- Certain Indian tribes border the Colorado River and have complained in the past to IID that any reductions in IID water orders so that more water can be taken by MWD or SDCWA at Parker Dam will adversely affect their power generation and their on-river wildlife habitat.



## **EXHIBIT E**

## EXHIBIT E

### NO PENDING OR THREATENED DISPUTES

There are no actions, suits, legal or administrative proceedings, or governmental investigations pending or threatened against or affecting CVWD which would adversely impact CVWD's ability to undertake the performance contemplated by this Agreement other than the following:

1. A general threat by the Center for Biological Diversity to sue challenging QSA transfers and environmental mitigation.
2. The Navajo Nation vs. United States Department of the Interior, et al., USDC for the District of Arizona, Case No. CIV 03 0507 PCTPG.
3. The Morgan Group lawsuit against IID.
4. The County of Imperial suit under CEQA challenging the State Water Resources Control Board Order Conditionally Approving the IID - SDCWA transfer and the CVWD/MWD acquisition.

**AGREEMENT FOR ACQUISITION OF CONSERVED WATER**

**by and between**

**IMPERIAL IRRIGATION DISTRICT,**

**a California irrigation district ("IID"),**

**and**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,**

**a California metropolitan water district ("MWD")**

**Dated: October 10, 2003**

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**AGREEMENT FOR ACQUISITION OF CONSERVED WATER BETWEEN IMPERIAL  
IRRIGATION DISTRICT AND THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA**

THIS AGREEMENT FOR ACQUISITION OF CONSERVED WATER ("**Agreement**") is made and entered into this 10th day of October, 2003, by and between IMPERIAL IRRIGATION DISTRICT, a California irrigation district ("**IID**"), and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a California metropolitan water district ("**MWD**"), each of which is at times referred to individually as "**Party**" and which are at times collectively referred to as "**Parties**."

**RECITALS:**

A. IID is an irrigation district organized under the California Irrigation District Law, codified at §§ 20500 et seq. of the California Water Code, and delivers Colorado River water in Imperial County, California for irrigation and potable purposes.

B. MWD is a metropolitan water district organized under the California Metropolitan Water District Act, § 109-1 of the Appendix to the California Water Code, and delivers Colorado River water in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura Counties, California for domestic and irrigation purposes.

C. This Agreement is one of several agreements executed and delivered as of the date hereof by the Parties and by other agencies, including Coachella Valley Water District ("CVWD"), pursuant to the Quantification Settlement Agreement among the Parties and CVWD dated as of October 10, 2003 (the "**QSA**"), which settles a variety of long-standing disputes regarding the priority, use and transfer of Colorado River water and establishes the terms for the further distribution of Colorado River water among these entities for up to seventy-five (75) years based upon the water budgets set forth therein.

D. The Parties do not intend to, and under the Agreement do not in any way, transfer, assign, encumber, or grant to each other any ownership interest in or control over any of each other's water rights.

E. The Parties intend that this Agreement shall become effective and commence only after compliance with the California Environmental Quality Act, California Public Resources Code §§ 21000 et seq. ("**CEQA**"), and the National Environmental Policy Act, Title 4, United States Code §§ 4321 et seq. ("**NEPA**"), as applicable.

## A G R E E M E N T :

NOW THEREFORE, in consideration of the covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, IID and MWD agree as follows:

### ARTICLE 1

#### DEFINITIONS AND RULES OF CONSTRUCTION

1.1 **Incorporated Definitions.** The terms with initial capital letters and acronyms that are used in this Agreement shall have the same meanings as set forth in Section 1.1 of the QSA, unless the context otherwise requires.

1.2 **Additional Definitions.** As used in this Agreement, in addition to the QSA defined terms, the following terms shall have the meanings set forth below:

(1) **Defensive Transfer Agreement.** An agreement by IID to transfer water that meets each of the following requirements: (i) the agreement is reached by IID in response to the threat of a decision or order by a federal or state agency or tribunal acting within its jurisdiction and authority and at least one element of the threatened order or decision would, if issued, (a) involve a determination that IID was not reasonably and beneficially using its water supply or that IID's water supply should be reallocated to another party, class of users, region, purpose or use; and (b) result in a decrease in IID's annual Consumptive Use entitlement in an amount not less than the quantity to be transferred; (ii) IID has reasonable grounds to believe that the threat is substantive and that the threatened decision or order could be entered or imposed; and (iii) the proposed transferee is not a party that has commenced or is participating adverse to IID in a proceeding that is the source of the threatened decision or order.

(2) **Exempt Transfer.** A transfer of water by IID permitted by Section 16.1(1)(ii) of this Agreement that: (i) in the aggregate with any other qualifying Exempt Transfers does not exceed thirty thousand (30,000) AFY; (ii) is to a transferee for use within Imperial County; and (iii) occurs after the Effective Date and does not, by its terms, require or contemplate continuation after the Termination Date.

(3) **First Fifty Thousand Acquisition.** As defined in the IID/CVWD Acquisition Agreement.

(4) **Make Available (and grammatical variations thereof).** Conserved Water will be deemed to have been Made Available to MWD in any Year hereunder by means of IID's corresponding reduction in that Year of its Consumptive Use at Imperial Dam in an amount equal to the Conserved Water to be acquired hereunder in that Year by MWD.

(5) **MWD Point of Diversion.** MWD's intake at Lake Havasu or such other point as MWD shall designate.

(6) **NEPA.** As defined in Recital E.



(7) **Occasional Reduction Notice.** As defined in the IID/CVWD Acquisition Agreement.

(8) **Permitted Transfers.** As defined in Section 16.1(1) below.

(9) **Permanent Reduction Notice.** As defined in the IID/CVWD Acquisition Agreement, except that such notice shall be deemed to have been given to IID in the event that IID's obligation to Make Conserved Water Available to CVWD under the IID/CVWD Acquisition Agreement terminates as a result of CVWD's breach of that Agreement.

(10) **Postponement Notice.** As defined in the IID/CVWD Acquisition Agreement.

(11) **Option.** As defined in Section 6.2 below.

(12) **QSA.** As defined in Recital C.

(13) **RFR Exercise Notice.** As defined in Section 5.1(1) below.

(14) **Right of First Refusal.** As defined in Section 5.1 below.

(15) **Second Fifty-Three Thousand Acquisition.** As defined in the IID/CVWD Acquisition Agreement.

(16) [Intentionally omitted].

(17) **Term.** As defined in Section 7.1 below.

(18) **Water Conservation Efforts.** The activity, program or project used to generate Conserved Water.

1.3 **Rules of Construction and Word Usage.** The provisions of Section 1.2 of the QSA are incorporated herein by reference, unless the context requires otherwise.

## **ARTICLE 2**

### **BASIC PROVISION**

Subject in all events to the specific terms and conditions of this Agreement:

(a) IID will compromise certain positions, amend the IID/MWD 1988 Agreement and 1989 Approval Agreement, and cause portions of the All-American Canal to be lined in order to create Conserved Water for acquisition by SDCWA, grant MWD a Right of First Refusal (defined below) on certain Conserved Water which is the subject of the IID/CVWD Acquisition Agreement, and grant MWD an Option to acquire certain Conserved Water.

(b) MWD will compromise certain positions, amend the IID/MWD 1988 Agreement and 1989 Approval Agreement, work cooperatively with IID to cause the State of California to

pay IID for lining a portion of the All-American Canal, and pay IID for any Conserved Water acquired under exercise of the Right of First Refusal or the Option.

(c) IID and MWD agree that at the termination of this Agreement, neither the terms of the Agreement nor the conduct of the Parties in performance of this Agreement confers upon the other any legal or equitable rights that would not have existed in the absence of this Agreement and the Parties' performance hereunder.

### **ARTICLE 3**

#### **IID/MWD 1988 AGREEMENT AND 1989 APPROVAL AGREEMENT**

3.1 **IID/MWD 1988 Agreement and 1989 Approval Agreement.** The IID/MWD 1988 Agreement and the 1989 Approval Agreement shall be amended as set forth in the Amendment to IID/MWD 1988 Agreement and the Amendment to 1989 Approval Agreement.

### **ARTICLE 4**

#### **ALL-AMERICAN CANAL AND COACHELLA CANAL**

4.1 **Conserved Water From the All-American Canal and Coachella Canal.** The Parties' rights and obligations with respect to Conserved Water resulting from the lining of the All-American Canal and the Coachella Canal shall be as set forth in the Allocation Agreement.

### **ARTICLE 5**

#### **RIGHT OF FIRST REFUSAL**

5.1 **IID/CVWD Acquisition Right of First Refusal.** MWD shall have a right of first refusal ("**Right of First Refusal**") to acquire, in increments of five thousand (5,000) AFY, Conserved Water made available by IID for acquisition by CVWD, but for which CVWD exercises its rights under Sections 3.5 and 3.7 of the IID/CVWD Acquisition Agreement to Occasionally Reduce or Permanently Reduce the volume of Conserved Water it acquires from IID.

(1) **Notice.** Within fifteen (15) Business Days of receipt by IID of an Occasional Reduction or Permanent Reduction Notice from CVWD, IID shall provide a copy of the Occasional Reduction or Permanent Reduction Notice to MWD. Within sixty (60) Business Days after MWD's receipt from IID of an Occasional Reduction or Permanent Reduction Notice, MWD shall notify IID of MWD's decision to exercise its Right of First Refusal, including the specific volume of water for which the right is being exercised ("**RFR Exercise Notice**"). Any failure to provide IID with a timely RFR Exercise Notice shall be deemed a conclusive rejection by MWD of an election to exercise its Right of First Refusal to any Conserved Water identified in the corresponding Occasional Reduction Notice or Permanent Reduction Notice.

(2) **Exercise of Right of First Refusal.** Upon timely providing the RFR Exercise Notice, MWD shall be entitled to acquire, and IID shall Make Available to MWD, the identified volume of Conserved Water from IID on the same terms, conditions and rights

applicable to CVWD's acquisitions as set forth in Articles 2(a), 5 and 6 of the IID/CVWD Acquisition Agreement, except that: (i) the payment to IID shall be one hundred twenty-five dollars (\$125.00) per AF, in 1999 Dollars, plus an amount to be paid by MWD to CVWD in reimbursement of its prior payments to (or credits from) the QSA-JPA that are applicable to any Conserved Water Made Available to MWD pursuant to its RFR Exercise Notice, as determined under the CVWD/MWD Acquisition Agreement (or, in the event CVWD's prior payments to (or credits from) the QSA-JPA are not fully applicable to such Conserved Water, an amount to be paid by MWD directly to the QSA-JPA on behalf and for the account of CVWD, as determined under the CVWD/MWD Acquisition Agreement); and (ii) MWD shall be solely responsible for any and all additional environmental review process and mitigation costs attributed to exercise of the Right of First Refusal and MWD shall pay such costs to IID before or at the time IID Makes Available to MWD the Conserved Water.

## ARTICLE 6

### OPTION

6.1 [Intentionally omitted].

6.2 **MWD Option on Conserved Water.** MWD shall have an option ("Option") to acquire from IID four thousand (4,000) AF of Conserved Water in 2008, eight thousand (8,000) AF of Conserved Water in 2009, and up to ten thousand (10,000) AFY in each of 2010 through 2016 to the extent that CVWD could have acquired such volumes of Conserved Water from IID in such Years, but elects pursuant to Section 3.3 or Section 3.4 of the IID/CVWD Acquisition Agreement to acquire less Conserved Water in such years than the maximum volumes otherwise contemplated under Section 3.1 of such Agreement.

(1) [Intentionally omitted]

(2) **Notices.** Within fifteen (15) Business Days of receipt by IID of a Postponement Notice or an Adjustment Notice from CVWD, IID shall provide a copy of such Notice to MWD. Not later than one-hundred twenty (120) Business Days after MWD's receipt of such a Notice, MWD shall give IID written notice of its exercise of the Option with respect to the Year or Years affected by such Notice. Failure to timely provide such notice shall be a conclusive rejection by MWD of an election to exercise its Option for the Year or Years in question.

(3) **Exercise Payment for the Option.** Upon timely providing the Option exercise notice, MWD shall be entitled to acquire, and IID shall Make Available to MWD, the applicable volume of Conserved Water from IID on the same terms, conditions and rights applicable to CVWD's acquisitions as set forth in Articles 2(a), 5 and 6 of the IID/CVWD Acquisition Agreement, except that: (i) the payment to IID shall be one hundred twenty-five dollars (\$125.00) in 1999 Dollars per AF, plus an amount to be paid by MWD to CVWD in reimbursement of its prior payments to (or credits from) the QSA-JPA that are applicable to any Conserved Water Made Available to MWD pursuant to the Option, as determined under the CVWD/MWD Acquisition Agreement (or, in the event CVWD's prior payments to (or credits from) the QSA-JPA are not fully applicable to such Conserved Water, an amount to be paid by

MWD directly to the QSA-JPA on behalf and for the account of CVWD, as determined under the CVWD/MWD Acquisition Agreement); and (ii) MWD shall be solely responsible for any and all additional environmental review process and mitigation costs attributed to the exercise of the Option and MWD shall pay such costs to IID before or at the time MWD exercises the Option.

## ARTICLE 7

### TERM

7.1 **Term.** This Agreement shall commence as of the Closing Date and shall terminate on the Termination Date.

7.2 **Effective Date.** The obligations of the Parties under Articles 2, 3, 4, 5, 6, 8, 15 and 16 hereof shall be contingent upon the occurrence of, and shall not become effective until, the Effective Date.

7.3 **Effect of Termination.** The provisions of Section 3.4(4) of the QSA are incorporated herein by reference, except that Section 16.2 of this Agreement shall survive termination of this Agreement as set forth herein.

## ARTICLE 8

### PAYMENTS

8.1 **IID/MWD 1988 Agreement.** MWD shall pay under the IID/MWD 1988 Agreement as set forth in that agreement, as amended.

8.2 **[Intentionally Omitted]**

8.3 **MWD Payments Upon Exercise of Right of First Refusal or Option.** MWD shall make payments to IID for Conserved Water Made Available to it by reason of its exercise of its Right of First Refusal or Option on the same terms, conditions and rights applicable to CVWD under Article 6 of the IID/CVWD Acquisition Agreement.

## ARTICLE 9

### ACQUISITION MECHANISM

9.1 **Acquisition Mechanism and Location.** IID performs its obligations to make Conserved Water available for MWD acquisition as contemplated by this Agreement by reducing its Consumptive Use at Imperial Dam by an amount equal to the Conserved Water to be acquired. When IID acts in that manner, IID has satisfied its obligation to make Conserved Water available for acquisition hereunder. MWD accepts responsibility for any arrangements and facilities necessary for it to divert the acquired Conserved Water at the MWD Point of Diversion. MWD has no duty to divert any or all of the Conserved Water. The payments by MWD to IID are for the conservation and acquisition of the Conserved Water, whether or not MWD actually diverts that Conserved Water.

9.2 **MWD's Scheduling Discretion.** MWD shall acquire Conserved Water Made Available to it in any Year between January 1 and December 31 of such Year. MWD shall have complete discretion within such Year on all matters relating to the scheduling of its diversions.

## **ARTICLE 10**

### **PRIORITIES 3, 4, 5, 6 AND 7**

10.1 **Limitation on Diversions.** IID and MWD have agreed to limit diversions under Priorities 3, 4, 5, 6 and 7 as explicitly set forth in the QSA.

## **ARTICLE 11**

### **CONDITIONS TO MWD'S AND IID'S OBLIGATIONS**

11.1 **Satisfaction of Conditions.** MWD's rights to acquire and pay for Conserved Water, and IID's obligations to undertake Water Conservation Efforts and Make Available Conserved Water for acquisition by MWD, are all subject to the satisfaction of the following conditions on or before the dates specified below. MWD and IID each agree to proceed with reasonable diligence and to use reasonable best efforts to satisfy those conditions for which it has responsibility.

(1) **QSA.** Each of the conditions precedent set forth in the QSA shall have been satisfied or waived as of the QSA Closing Date.

(2) **Related Agreements.** Each of the Related Agreements shall be in full force and effect as of the Effective Date.

11.2 **Written Waiver of Conditions.** The Parties may agree to waive in writing any one or more of the foregoing conditions, in whole or in part; provided, however, that neither Party shall waive review in accordance with CEQA or NEPA or other requirements under applicable laws.

11.3 **Extension by Agreement.** The Parties may agree to extend the date by which any condition must be satisfied or waived.

11.4 **Consequence of Failure of Conditions.** If the conditions in this Article are not timely satisfied or waived, then this Agreement will be void ab initio, and all rights granted by this Agreement will be terminated and forfeited.

## **ARTICLE 12**

### **COMPLIANCE WITH ENVIRONMENTAL LAWS**

12.1 **Compliance with CEQA and NEPA.** In executing this Agreement, the Parties recognize and acknowledge that the environmental review and assessment required by CEQA and NEPA have been completed.

12.2 **Compliance With Endangered Species Act and Other Applicable Laws.** In executing this Agreement, the Parties recognize and acknowledge that they have taken all steps necessary to assess whether the activities described in this Agreement may adversely impact threatened or endangered species, critical habitat or other environmental resources regulated pursuant to the federal Endangered Species Act, the California Endangered Species Act and other applicable state and federal laws relating to the protection of environmental resources (collectively, "Resource Laws"). To the extent required to implement the activities described in this Agreement in compliance with all Resource Laws, and as a condition to implementing such activities, the Parties have undertaken consultation with the U.S. Fish & Wildlife Service ("USFWS") for their respective areas of responsibility and have obtained all necessary permits, approvals and authorizations from USFWS, the California Department of Fish & Game, and other resource agencies.

12.3 [Intentionally omitted].

## **ARTICLE 13**

### **FORCE MAJEURE**

13.1 **Force Majeure.** The risk of a Force Majeure event, shall be borne by the Parties in accordance with the following terms; provided, however, that in no circumstance shall a Priority 3 Shortfall, as described in Article 11 of the IID/CVWD Acquisition Agreement, an extended drought (even of unexpected magnitude), or a new and unexpected environmental mitigation obligation be deemed to constitute a Force Majeure event within the meaning of this Article 13; and provided, further, that a disruption in MWD's ability to divert or to store Conserved Water shall not be a Force Majeure event within the meaning of this Article 13 if and to the extent MWD has the ability either to store or to divert such water. However, should an environmental problem arise which results in a Transfer Stoppage as defined in the QSA, then notwithstanding the above language, the Transfer Stoppage shall be treated as a Force Majeure event.

(1) IID shall be required, at its own expense, to take whatever steps are reasonable to cure or resolve any effects of a Force Majeure event on its ability to conserve and Make Available Conserved Water, and shall be relieved of any obligation to conserve or Make Available Conserved Water for acquisition by MWD until the cure or resolution is accomplished. MWD may withhold payments otherwise due until IID has cured or resolved such effects and Conserved Water again becomes available for acquisition by MWD.

(2) MWD shall be required, at its own expense, to take whatever steps are reasonable to cure or resolve a Force Majeure event on its ability to acquire, divert, transport, store or receive Conserved Water and, until such cure or resolution is accomplished, shall be relieved of its payment obligations to IID. IID may itself use, or make available for lawful acquisition by others, the Conserved Water for which MWD would otherwise have paid, and MWD shall have no right to acquire the Conserved Water until it has cured or resolved such effects and again becomes obligated to make payments to IID.

## ARTICLE 14

### EMINENT DOMAIN/TAKINGS

14.1 **Effect on Agreement.** If at any time during the term of this Agreement, any of the Conserved Water to be made available to MWD by IID pursuant to this Agreement is taken for any part of the remaining term of this Agreement by lawful exercise of the power of eminent domain by any sovereign, municipality, public or private authority or other person ("taking"), the terms of this Agreement shall not be affected in any way, except that for the period of the taking as to the Conserved Water taken only, IID shall be relieved of its obligation to Make such Conserved Water Available to MWD and MWD shall be relieved of its obligation to pay IID for such Conserved Water. Each Party hereby waives any right it may have under the provisions of Code of Civil Procedure § 1265.130 to petition the Superior Court to terminate this Agreement.

14.2 **Compensation for Taking.** The compensation paid for any taking of Conserved Water otherwise to be Made Available to MWD pursuant to this Agreement (the "subject Conserved Water") shall be separately assessed under Code of Civil Procedure § 1260.220(a) according to each party's interest as follows:

(1) MWD shall be entitled to:

(i) Any compensation paid for the amount attributable to the market value of the subject Conserved Water (or, with respect to any of MWD's unexercised Right of First Refusal or Option hereunder, the market value of such contingent interest in Conserved Water to the extent compensation is allowable therefor under applicable law) for the period from the date of the taking to the earlier of the date of the end of the taking or the term of this Agreement in excess of the present value at the date of the taking of the amounts that MWD would otherwise be obligated to pay to IID for the subject Conserved Water under this Agreement;

(ii) Any compensation paid for severance damage to MWD attributable to the taking of the subject Conserved Water (or contingent interest in Conserved Water); and

(iii) Any compensation paid for loss of goodwill to MWD attributable to the taking of the subject Conserved Water (or contingent interest in Conserved Water).

(2) IID shall be entitled to all other compensation paid, including but not limited to:

(i) Any compensation paid for the present value at the date of the taking of the amounts that MWD would otherwise be obligated to pay to IID for the subject Conserved Water under this Agreement;

(ii) Any compensation paid for severance damage to IID attributable to the taking of the subject Conserved Water; and

(iii) Any compensation paid for the loss of goodwill to IID attributable to the taking of the subject Conserved Water.

(3) Nothing in this Article 14 shall affect any right of either Party to relocation assistance benefits.

(4) Nothing in this Article 14 shall affect the rights or claims of either Party with respect to a taking of some or all of its water rights, including Colorado River water rights.

## **ARTICLE 15**

### **MISCELLANEOUS**

**15.1 Retention of Water Rights; No "Property" Rights in Water Rights Created Hereunder.** This Agreement does not in any way transfer, assign, encumber, or grant to MWD any ownership interest in or control over any water rights held by IID, and does not in any way transfer, assign, encumber, or grant to IID any ownership interest or control over any of water rights held by MWD. IID and MWD covenant and agree not to assert against each other any such interest in or control over water rights of the other Party.

**15.2 Acquisition of Colorado River Water.** During the Term of this Agreement, IID and MWD each consent to the other acquiring Colorado River water from any person on any terms; provided, however, that each Party reserves the right to object to any such acquisition on the sole basis that the proposed acquisition would materially reduce the water otherwise available to it under the QSA.

**15.3 Re-Transfer.** MWD may not re-transfer Conserved Water acquired from IID pursuant to Articles 5 and 6 hereof, but MWD may exchange such Conserved Water for other water supplies of like quantity if the exchange obligation of each party to the exchange is fulfilled within a single Year. There shall be no limitation hereunder on MWD's right to exchange water where other sources of water are available in sufficient quantity to effect the exchange. MWD will provide IID with information regarding any exchange where such other sources are not available in sufficient quantity so that water acquired pursuant to Articles 5 or 6 hereof must be used in whole or in part for such exchange, such that IID is able to timely determine MWD's compliance with this provision. MWD's delivery of Conserved Water acquired from IID to its member agencies on the same terms and conditions that it delivers Colorado River water otherwise diverted by MWD shall not be considered a re-transfer.

**15.4 Calendar-Year Limitation.** MWD's right to acquire Conserved Water under this Agreement is not cumulative, and MWD has no right to any such Conserved Water that it does not divert within the Agreement Year. Thus, if MWD fails to divert all of the Conserved Water to which it is entitled under this Agreement in any one Agreement Year, the amount which MWD is entitled to acquire (and the amount that IID is obligated to make available under this Agreement) in any other Agreement Year is unaffected.

**15.5 Shortage Years.** In the event that the Colorado River water available to IID in any Year would be less than the amount necessary to satisfy IID's present perfected right for that Year, the Conserved Water otherwise to be made available to MWD under the provisions of



Articles 5 and 6 hereof may be retained by IID to an extent up to but not greater than the amount needed to satisfy such right. A quantity of Conserved Water equal to that retained by IID under this provision shall be made available to MWD in the first Year when doing so would not cause IID's present perfected right to be unsatisfied in such Year. No payments will be due from MWD with respect to any Conserved Water retained by IID pursuant to this Section 15.5 until such water is made available to MWD.

## **ARTICLE 16**

### **PEACE TREATY**

#### **16.1 Peace Treaty Elements**

(1) Before the start of Year 21, IID shall make no transfers of water other than "Permitted Transfers," which shall be limited to: (i) transfers contemplated under Section 2.1 of the QSA, (ii) transfers that qualify as Exempt Transfers, (iii) transfers made under a qualifying Defensive Transfer Agreement, and (iv) transfers of up to one million six hundred thousand (1,600,000) AF in the aggregate to the California Department of Water Resources, as referenced in the QSA Legislation so long as MWD has not provided notice to IID that DWR has breached its agreement with MWD related to such transfers.

(2) During the Term of this Agreement, unless and until IID enters into an agreement or otherwise seeks to transfer water in a transaction that does not qualify as a Permitted Transfer, MWD shall not (i) pursue any legislative, administrative or judicial proceeding, or take any other action that would reduce IID's Consumptive Use entitlement, or (ii) divert any water that IID is ordered to conserve as the result of a challenge to IID's water supply; provided, however, that MWD may at any time challenge a proposed IID transfer, on any grounds, so long as that challenge is limited in scope to whether the proposed transfer is legally or contractually permitted. IID and MWD do not agree whether the above requirement of Section 16.1(2)(ii), that MWD shall not "divert any water that IID is ordered to conserve," precludes MWD from diverting water which is made available by an order that IID reduce its Consumptive Use. Any dispute over the interpretation of this phrase of Section 16.1(2)(ii) shall be resolved under the binding arbitration process set forth in Section 17.2 of this Agreement and the arbitrators shall resolve any such dispute without regard to parol evidence.

(3) IID shall provide MWD with sixty (60) days' prior written notice of any proposed transfer of Colorado River water by it, other than transfers contemplated under Section 2.1 of the QSA, including a description of the volume of water proposed to be transferred and an explanation why IID believes that the transfer would be permitted hereunder, upon the occurrence of any of the following events:

(i) IID has determined that there exist conditions warranting a Defensive Transfer Agreement;

(ii) IID has determined to explore whether to make a new transfer of any kind, in which event notice shall be given before IID discusses a possible transfer with any potential transferee;

- (iii) IID has entered into a transfer agreement; or
- (iv) IID has sought approval of a transfer or any aspect thereof.

(4) IID shall provide MWD with the first opportunity to be the transferee under any proposed Defensive Transfer Agreement. Upon notice by IID that it is interested in obtaining an offer for a Defensive Transfer Agreement, MWD shall have ninety (90) days to submit such an offer to IID. Upon receipt of MWD's offer, if one is made: (i) IID shall accept or not accept the offer, but shall in no event solicit competing offers from any other person or entity if MWD's offer is to acquire transferred water at the same per acre-foot price contemporaneously being paid or to be paid by SDCWA under the 1998 IID/SDWCA Transfer Agreement (an "SDCWA Offer"); or (ii) in the event MWD does not make an SDCWA Offer within the ninety (90) day period, IID shall, in its sole discretion, be free to seek, and to accept or reject, offers for Defensive Transfer Agreements from any person or entity, including MWD.

(5) Any dispute between IID and MWD as to whether a proposed transfer as to which IID has given timely notice pursuant to subsection (3) above constitutes a Defensive Transfer Agreement shall be settled promptly by binding arbitration, as provided in Section 17.2, commenced within thirty (30) days after written notice is provided by IID to MWD that, notwithstanding MWD's objections to IID's explanation provided pursuant to subsection (3) above, IID believes the proposed transfer meets the requirements for a Defensive Transfer Agreement.

16.2 During the Term of this Agreement and for six (6) years thereafter, MWD covenants that in dealing directly with IID, MWD shall conclusively presume that any water conserved for transfer or acquisition or used by IID for environmental mitigation purposes through Temporary Land Fallowing or crop rotation was conserved by IID in the same volume as if conserved by efficiency improvements such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields. Also, during the Term of this Agreement and for six (6) years thereafter, MWD covenants that in any administrative, judicial or legislative proceeding involving evaluation or assessment of IID's use of water, MWD will not oppose (but shall not be required to support) IID's position that any water conserved for transfer or acquisition or used by IID for environmental mitigation purposes through Temporary Land Fallowing or crop rotation must be conclusively presumed to have been conserved by IID in the same volume as if conserved by efficiency improvements, such as by reducing canal seepage and spills or by reducing surface or subsurface runoff from irrigated fields. MWD further covenants that it will not oppose (but shall not be required to support) any effort by IID to cause any administrative, legislative or judicial body evaluating or assessing IID's use of water during the Term of this Agreement and for six (6) years thereafter to make the same conclusive presumption. In addition, MWD covenants that, during the term of the QSA and for six (6) years thereafter, MWD will not support (but shall not be required to oppose) in any forum, including any activity before any legislative, administrative or judicial body, any proposal to require the creation of Conserved Water for acquisition or transfer by IID after December 31, 2017 through the use of Temporary Land Fallowing, permanent land fallowing or crop rotation. MWD also agrees that it will not oppose (but shall not be required to support) IID's position that it has the right to Consumptive Use of Colorado River Water or IID created Conserved Water to mitigate environmental impacts resulting from the acquisition or transfer of Conserved Water

contemplated by the QSA. MWD does not oppose (but shall not be required to support) IID's position that IID has the right to create all Conserved Water by efficiency improvements without providing any mitigation water after Calendar Year 2017, as reflected on the Compromise IID/SDCWA and QSA Delivery Schedule attached as Exhibit A.

## **ARTICLE 17**

### **DISPUTE RESOLUTION**

**17.1 Nature of Dispute or Claim.** Disputes between IID and MWD arising under this Agreement shall be resolved in accordance with the procedures described in this Article 17.

(1) Disputes between the Parties on the following subjects shall be resolved under the binding arbitration process set forth in Section 17.2: (i) the amount of any payment claimed by IID to be due and owing from MWD; (ii) the calculation or application of the Inflation Index; (iii) the reasonableness of steps taken by MWD or IID to cure or resolve the effects of a Force Majeure event under Article 13; and (iv) fulfillment of the qualifying requirements for a proposed Defensive Transfer Agreement.

(2) All other disputes and claims arising under this Agreement shall be resolved in an action or proceeding between the Parties, subject to the terms and conditions set forth in Section 17.3, unless otherwise mutually agreed.

**17.2 Arbitration.** Disputes on the subjects specified in Section 17.1 that cannot be resolved by agreement shall be resolved through binding arbitration conducted in a Neutral County or such other location as the Parties may agree.

(1) An arbitration proceeding may be initiated by either Party sending a demand for arbitration to the other Party in conformance with the Notice provisions set forth in Section 20.6 of this Agreement. The Parties shall impanel a group of three arbitrators by each designating an arbitrator of their choice who shall then select the third panel member. If the two arbitrators appointed by the Parties cannot agree on the selection of a third arbitrator within ten (10) Business Days after their designation, the third arbitrator shall be selected by the presiding judge of the Superior Court in the county in which the proceeding will be held. At least one of the arbitrators must be a person who has actively engaged in the practice of law with expertise deciding disputes and interpreting contracts. The arbitrators shall take an oath of impartiality prior to the commencement of the arbitration proceeding. The Parties shall use their reasonable best efforts to conclude the arbitration proceeding within ninety (90) Business Days of the selection of the third panel member.

(2) The arbitrators shall conduct the proceeding in accordance with the procedural laws of California, and shall determine the rights and obligations of the Parties in accordance with substantive state and, if applicable, federal law. Discovery shall be governed by the California Code of Civil Procedure ("CCP"), with all applicable time periods for notice and scheduling provided therein reduced by one-half (½). Notwithstanding the preceding sentence, the arbitrators may establish other discovery limitations or rules. The arbitration process will otherwise be governed by the Commercial Arbitration Rules of the American Arbitration

Association. All issues regarding compliance with discovery requests shall be decided by the arbitrators. A decision by at least two out of the three arbitrators will be deemed the arbitration decision. The arbitration decision shall be in writing and shall specify the factual and legal bases for the decision. The decision of such arbitrators shall be final and binding upon the parties, and judgment upon the decision rendered by the arbitration may be entered in the Neutral County superior court.

(3) The costs (including, but not limited to, reasonable fees and expenses of counsel and expert or consultant fees and costs), incurred in an arbitration (including the costs to enforce or preserve the decision) shall be borne by the Party whom the decision is against. If the decision is not clearly against one Party on one or more issues, each Party shall bear its own costs. The arbitration decision shall identify whether any Party shall be responsible for the other Party's costs.

**17.3 Actions or Proceedings Between the Parties.** Disputes on subjects other than those specified in Section 17.1(1) that cannot be resolved by agreement shall be resolved in an action or proceeding between the Parties subject to the following provisions.

(1) Each Party acknowledges that it is a "local agency" within the meaning of § 394(c) of the CCP. Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under § 394(a) of the CCP, as a matter of law be subject to (i) being transferred to a Neutral County, or (ii) instead, having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.

(2) Each party hereby:

(i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action or proceeding;

(ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;

(iii) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and

(iv) Acknowledges that this Agreement, and in particular this section, may be submitted to the court as part of the moving papers.

(3) Nothing in this Section 17.3 shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

## **ARTICLE 18**

### **REMEDIES**

18.1 **Specific Performance.** Each Party recognizes and agrees that the rights and obligations set forth in this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party does not perform in accordance with the specific wording of any of the provisions in this Agreement applicable to that Party, or otherwise breaches, the other Party would likely suffer irreparable harm. Therefore, if either Party breaches this Agreement, an action at law for damages or other remedies at law would be wholly inadequate to protect the unique rights and interests of the other Party to this Agreement. Accordingly, in any court controversy concerning this Agreement, this Agreement's provisions will be enforceable in a court of equity by a decree of specific performance. This specific performance remedy is not exclusive and is in addition to any other remedy available to the Parties.

18.2 **Cumulative Rights and Remedies.** The Parties do not intend that any right or remedy given to a Party on the breach of any provision under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delays in exercising any such right or remedy, the non-breaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power, or privilege precludes any other or further exercise of a right, power, or privilege granted by this Agreement or otherwise.

## **ARTICLE 19**

### **REPRESENTATIONS AND WARRANTIES**

#### **19.1 IID's Representations and Warranties.**

(1) **Due Authority and Approval.** Subject only to any approvals and conditions contemplated under Article 1 of this Agreement and compliance with environmental laws pursuant to Article 2 of this Agreement: (i) IID has all legal power and authority to enter into this Agreement, to implement its Water Conservation Efforts, and to make the Conserved Water available for MWD acquisition on the terms set forth in this Agreement, and (ii) the execution and delivery of this Agreement and IID's performance of its obligations under the Agreement have been duly authorized by all necessary actions of IID, and no other act or proceeding by IID is necessary to authorize such execution, delivery, or performance.

(2) **Signatories.** The persons executing this Agreement on behalf of IID have full power and authority to bind IID to the terms of this Agreement. In addition, the persons signing this Agreement on IID's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on IID's behalf personally warrant and represent that they have reviewed this Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to any approvals and conditions contemplated under Article 1 of this Agreement and compliance with environmental laws pursuant to Article 2 of this Agreement, this Agreement constitutes the valid and binding agreement of IID, enforceable against IID in accordance with the terms of the Agreement.

(4) **No Conflicts.** The execution and implementation of this Agreement do not violate or trigger default under any law or other agreement to which IID is subject.

(5) **No Pending or Threatened Disputes.** Except as disclosed in Exhibit B attached hereto, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to IID's knowledge, threatened against or affecting IID relating to the performance contemplated by this Agreement, including the adequacy of the water conservation efforts undertaken by IID, IID's making Conserved Water available for acquisition by MWD, and MWD's payment for such Conserved Water.

(6) **Notice of Developments.** IID agrees to give prompt notice to MWD if IID discovers that any of its own representations and warranties were untrue when made or determines that any of its own representations and warranties will be untrue as of the Effective Date.

## 19.2 **MWD's Representations and Warranties**

(1) **Due Authority and Approval.** Subject only to the approvals and conditions contemplated under Article 1 of this Agreement and compliance with environmental laws pursuant to Article 2 of this Agreement: (i) MWD has all legal power and authority to enter into this Agreement and to acquire the Conserved Water on the terms set forth in this Agreement, and (ii) the execution and delivery of this Agreement and MWD's performance of its obligations under the Agreement have been duly authorized by all necessary actions of MWD, and no other act or proceeding by MWD is necessary to authorize such execution, delivery, or performance.

(2) **Signatories.** The persons executing this Agreement on behalf of MWD have full power and authority to bind MWD to the terms of this Agreement. In addition, the persons signing this Agreement on MWD's behalf personally warrant and represent that they have such power and authority. Furthermore, the persons signing this Agreement on MWD's behalf personally warrant and represent that they have reviewed the Agreement, understand its terms and conditions, and have been advised by counsel regarding the same.

(3) **Enforceability.** Subject only to any approvals and conditions contemplated under Article 11 of this Agreement and compliance with environmental laws pursuant to Article 2 of this Agreement, this Agreement constitutes the valid and binding agreement of MWD, enforceable against MWD in accordance with the terms of the Agreement.

(4) **No Conflicts.** The execution and implementation of the Agreement do not violate or trigger default under any law or other agreement to which MWD is subject.

(5) **No Pending or Threatened Disputes.** Except as disclosed in Exhibit C attached hereto, there are no actions, suits, legal or administrative proceedings, or governmental investigations pending or, to MWD's knowledge, threatened against or affecting MWD relating

to the performance contemplated by this Agreement, including the adequacy of the water conservation efforts undertaken by IID, IID's Making Conserved Water Available for acquisition by MWD, and MWD's payment for such Conserved Water.

(6) **Notice of Developments.** MWD agrees to give prompt notice to IID if MWD discovers that any of its own representations and warranties were untrue when made or determines that any of its own representations and warranties will be untrue as of the Effective Date.

## **ARTICLE 20**

### **GENERAL PROVISIONS**

20.1 **No Third-Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

20.2 **Counting Days.** Days shall be counted by excluding the first day and including the last day, unless the last day is not a Business Day, and then it shall be excluded. Any act required by this Agreement to be performed by a certain day shall be timely performed if it is completed before 5:00 .m. Pacific Time on that date, unless otherwise specified. If the day for performing any obligation under this Agreement is not a Business Day, then the time for performing that obligation shall be extended to 5:00 .m. Pacific Time on the next Business Day.

20.3 **Ambiguities.** Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

20.4 **Governing Law.** California law shall govern this Agreement and any dispute arising from the contractual relationship between the Parties under the Agreement; provided, however, that federal law shall be applied as appropriate to the extent that it bears on the resolution of any claim or issue relating to the permissibility of a proposed transfer under Article 16.

20.5 **Binding Effect; No Assignment.** This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any Assignment or Delegation made in violation of this Agreement is void and of no force or effect.

20.6 **Notices.** All notices, requests, demands, or other communications under this Agreement must be in writing, and sent to both addressees of each Party. Notice will be sufficiently given for all purposes as follows:

- *Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.

- *First-Class Mail.* When mailed first-class to the last address of the recipient known to the Party giving notice. Notice is effective five mail delivery days after it is deposited in a United States Postal Service office or mailbox.
- *Certified Mail.* When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.
- *Overnight Delivery.* When delivered by an overnight delivery service such as Federal Express, charged prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

Addresses for purpose of giving notice are as follows:

To IID:	Imperial Irrigation District 333 E. Barioni Boulevard P.O. Box 937 Imperial, California 92251 Attn: General Manager Telephone: (760) 339-9477
With a copy to:	Horton, Knox, Carter & Foote 895 Broadway El Centro, California 92243 Attn: John P. Carter, Chief Counsel Telephone: (760) 352-2821
To MWD:	The Metropolitan Water District of Southern California P.O. Box 54153 Los Angeles, California 90054 Attn: Chief Executive Officer Telephone: (213) 217-6000
With a copy to:	The Metropolitan Water District of Southern California P.O. Box 54153 Los Angeles, California 90054 Attn: General Counsel Telephone: (213) 217-6115

A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.



20.7 **Entire Agreement.** This Agreement (including the exhibits and other agreements attached to or referenced in this Agreement) constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the acquisition of Conserved Water by MWD from IID, and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

20.8 **Time of the Essence.** Time is of the essence of and under this Agreement and of every provision thereof.

20.9 **Modification.** This Agreement may be supplemented, amended, or modified only by the agreement of the Parties. No supplement, amendment, or modification will be binding unless it is in writing and signed by both Parties.

20.10 **Waiver.** No waiver of a breach, failure of condition, or any right or remedy contained in or granted by the provisions of this Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of a breach, failure of condition, or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

20.11 **Joint Defense.** The Parties agree to proceed with reasonable diligence and use reasonable best efforts to jointly defend any lawsuit or administrative proceeding challenging the legality, validity, or enforceability of any term of this Agreement, or any Party's right to act in accordance with any of the terms of this Agreement.

IN WITNESS WHEREOF, IID and MWD have executed this Agreement as of the day and year first written above.

"IID"

IMPERIAL IRRIGATION DISTRICT, a  
California irrigation district

By: [Signature]  
Its: PRESIDENT

By: Gloria A. Rivera  
Its: Secretary

Approved as to form:

By: [Signature]  
Its: Chief Counsel

"MWD"

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA, a California  
metropolitan water district

By: [Signature]  
Its: CEO

Approved as to form:

By: [Signature]  
Its: GENERAL COUNSEL

## **EXHIBIT A**

**EXHIBIT A**  
**COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE**

Agmt Yr	Cal Yr	IID/SD (KAF)	IID/CVWD (KAF) <sup>1</sup>	IID/MWD (KAF)	Total Delivery (KAF)	Total Efficiency (KAF)	Fallowing for Delivery (KAF)	Mitigation Fallowing (KAF)	Total Fallowing (KAF)
1	2003	10	0	0	10	0	10	5	15
2	2004	20	0	0	20	0	20	10	30
3	2005	30	0	0	30	0	30	15	45
4	2006	40	0	0	40	0	40	20	60
5	2007	50	0	0	50	0	50	25	75
6	2008	50	4	0	54	4	50	25	75
7	2009	60	8	0	68	8	60	30	90
8	2010	70	12	0	82	12	70	35	105
9	2011	80	16	0	96	16	80	40	120
10	2012	90	21	0	111	21	90	45	135
11	2013	100	26	0	126	46	80	70	150
12	2014	100	31	0	131	71	60	90	150
13	2015	100	36	0	136	96	40	110	150
14	2016	100	41	0	141	121	20	130	150
15	2017	100	45	0	145	145	0	150	150
16	2018	130	63	0	193	193	0	0	0
17	2019	160	68	0	228	228	0	0	0
18	2020	192.5	73	2.5	268	268	0	0	0
19	2021	205	78	5.0	288	288	0	0	0
20	2022	202.5	83	2.5	288	288	0	0	0
21	2023	200	88	0	288	288	0	0	0
22	2024	200	93	0	293	293	0	0	0
23	2025	200	98	0	298	298	0	0	0
24	2026	200	103	0	303	303	0	0	0
25	2027	200	103	0	303	303	0	0	0
26	2028	200	103	0	303	303	0	0	0
27-45	2029-2047	200	103	0	303	303	0	0	0
46-75	2048-2077	200	50	0	250	250	0	0	0

<sup>1</sup> or MWD if CVWD declines to acquire.

**EXHIBIT B**

## EXHIBIT B

### IID's Pending and Threatened Litigation Disclosure

The following actions, suits, legal or administrative proceedings, or governmental investigations are pending, or (to IID's knowledge) have been threatened relating to the performance of this Agreement. By listing the items here, IID does not imply that any of these matters have merit and, in fact, IID disputes the legitimacy of all the below matters. They are provided here simply as a disclosure of their existence or threat, per the Agreement.

1. United States Part 417 Proceeding (2003) -- IID is currently engaged in a dispute with the United States over IID's 2003 water order, with an appeal to the Secretary of the Interior from the Regional Director's Final Determination due to be filed later this month. The 2003 Part 417 review of IID will be terminated by the United States and IID's order approved as part of the QSA settlement.
2. United States Part 417 Proceeding (Future Years) -- Though IID disputes the legal ability of the United States to review IID's water use under Part 417, the United States contends that it has the right to review IID's water use under that regulation on a yearly basis. In future years such review is required to be in compliance with obligations of the United States in the QSA package of documents, and IID and the United States have reserved their litigation rights.
3. IID v. United States, et al. (Case No. 03 CV 0069W (JFS), Southern District California) This case pertains to IID's 2003 water order. It is currently stayed and will be dismissed as part of the overall QSA settlement.
4. Reasonable Beneficial Use Lawsuits/Actions By Junior Appropriators and Others -- Junior appropriators MWD and CVWD have threatened to sue IID over its reasonable beneficial use of water. The QSA settlement controls MWD's and CVWD's rights to commence such proceedings during the QSA. Other entities not constrained by the QSA may sue IID.
5. Morgan, et al. v. Imperial Irrigation District (Case No. L-01510, Superior Court of California, Imperial County)-- This is a lawsuit against IID and "All Persons Interested" brought by certain landowners in IID. This "Morgan Group" of plaintiffs consists of disgruntled landowners in the Imperial Valley who have asserted in this case, and/or in other places at other times, the following general issues: (a) they have "revoked" their status as beneficiaries and thus IID has no authority over Colorado River water; (b) IID has mismanaged its water right; (c) the landowners have the right to make their own deals with third parties to transfer water outside the IID service area; (d) IID cannot agree to the QSA without landowner consent; (e) methods being discussed by IID to implement the conservation programs required under the QSA documents are unfair and improper; (f) other similar complaints about IID and its management.
6. Imperial Valley Actions -- Many residents, landowners, farmers, and groups in the Imperial Valley are not in agreement with IID over the terms of the QSA, and have threatened to take action. The exact nature and extent of such possible action is unknown to IID.

7. Environmental Lawsuits/Actions -- Though the QSA and transfers were subject to extensive environmental review and provide for extensive environmental mitigation, various environmental groups and citizens have asserted that mitigation is inadequate or that the environmental documentation is inadequate. The exact nature and extent of such possible action is unknown to IID.

8. Lining Of All American Canal -- Many persons, both in the United States and in Mexico, appear to use groundwater that is being supplied by seepage from the All-American Canal. Lining will reduce access to seepage groundwater once the canal is lined. Persons have complained about this situation, and it is possible that such persons (and perhaps Mexico) will attempt to stop such lining.

9. Indian Tribes -- Certain Indian tribes border the Colorado River and have complained in the past to IID that any reductions in IID water orders so that more water can be taken by MWD or SDCWA at Parker Dam will adversely affect their power generation and their on-river wildlife habitat.

**EXHIBIT C**



**EXHIBIT C**

None, other than the matters referenced in Exhibit B.

**AGREEMENT FOR ACQUISITION OF WATER BETWEEN  
COACHELLA VALLEY WATER DISTRICT AND THE  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

THIS AGREEMENT FOR ACQUISITION OF WATER (“**Agreement**”) is made and entered into this 10th day of October, 2003, by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (“**MWD**”), a California metropolitan water district, and COACHELLA VALLEY WATER DISTRICT (“**CVWD**”), a California county water district, each of which is at times referred to individually as “**Party**” and which are at times collectively referred to as “**Parties**.”

**R E C I T A L S:**

A. Imperial Irrigation District (“**IID**”) is an irrigation district organized under the California Irrigation District Law, codified at §§ 20500 *et seq.* of the California Water Code, and delivers Colorado River water in Imperial County, California for irrigation and potable purposes.

B. MWD is a metropolitan water district organized under the California Metropolitan Water District Act, § 109-1 of the Appendix to the California Water Code, and delivers Colorado River water in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, Counties, California for domestic and irrigation purposes.

C. CVWD is a county water district organized under the California County Water District Law, codified at §§ 30000 *et seq.* of the California Water Code, and delivers Colorado River water in Riverside County, California for irrigation and potable purposes.

D. This Agreement is one of several agreements executed and delivered as of the date hereof by the Parties and by other agencies, including IID, pursuant to the Quantification Settlement Agreement among the Parties and IID dated as of the date of this Agreement (the “**QSA**”), which settles a variety of long-standing disputes regarding the priority, use and transfer of Colorado River water and establishes the terms for the further distribution of Colorado River water among these entities for up to seventy-five years based upon the water budgets set forth therein.

E. The QSA provides, in part, that certain parties thereto shall enter into a binding agreement wherein IID shall have the obligation to provide and CVWD shall have the right to acquire up to fifty thousand (50,000) acre-feet of Conserved Water per year and an additional fifty-three thousand (53,000) acre-feet per year of Conserved Water on the terms and conditions set forth therein. Pursuant thereto, IID and CVWD are executing contemporaneously herewith that certain Agreement for Acquisition of Conserved Water between Imperial Irrigation District and Coachella Valley Water District. Pursuant to the IID/CVWD Acquisition Agreement, CVWD may at its election occasionally reduce or permanently reduce, upon notice given to IID, its obligation to acquire the Conserved Water.

F. MWD has certain rights to take and pay for the Conserved Water in the event that CVWD chooses not to acquire the Conserved Water pursuant to the IID/CVWD Acquisition Agreement.

G. Pursuant to the IID/CVWD Acquisition Agreement, IID's obligation to make available and CVWD's right to acquire the Second Fifty-Three Thousand Acquisition shall terminate on the earlier of the termination of the IID/CVWD Acquisition Agreement or the end of Year 45 (as that term is defined in the QSA) ("**Expiration Date**").

H. MWD has agreed to pay or reimburse CVWD for a portion of CVWD's cost to acquire the Second Fifty-Three Thousand Acquisition in accordance with the terms and conditions set forth in the QSA.

I. Beginning in Year 46, as such term is defined in the QSA, IID is to be relieved of its obligation to provide the Second Fifty-Three Thousand Acquisition to CVWD, and MWD is to provide or cause to be provided to CVWD up to Fifty Thousand (50,000) acre-feet of water per year as Replacement Water for the Second Fifty-Three Thousand Acquisition, on the terms and conditions set forth herein.

J. The QSA further provides, in part, that the Parties hereto are to enter into, subject to the satisfaction or waiver of any conditions precedent set forth in the QSA, an agreement wherein MWD is to deliver to CVWD thirty-five thousand (35,000) acre-feet per year of water ("**Entitlement Water**") to which MWD is entitled pursuant to the State Water Resources Development System, authorized and constructed pursuant to California Water Code §§ 12930, et seq. ("**State Water Project**"). All deliveries of Entitlement Water shall be exchanged with MWD for 35,000 acre-feet per year of MWD's Colorado River water ("**Exchange Water**") ("**MWD/CVWD Delivery and Exchange Agreement**").

K. The Parties desire to set forth terms and conditions of the above described arrangements.

L. The Parties do not intend to, and under the Agreement do not in any way, transfer, assign, encumber, or grant to each other any ownership interest in or control over each other's water rights.

M. The Parties intend that this Agreement shall become effective and commence only after compliance with the California Environmental Quality Act, California Public Resources Code §§ 2100 et seq. ("**CEQA**"), and the National Environmental Policy Act, Title 4, United States Code §§ 4321 et seq. ("**NEPA**"), as applicable.

## AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, CVWD and MWD agree as follows:

### ARTICLE 1 DEFINITIONS

**1.1 Incorporated Definitions.** The terms with initial capital letters and acronyms that are used in this Agreement shall have the same meanings as set forth in Section 1.1 of the QSA, unless the context otherwise requires.

**1.2 Additional Definitions.** As used in this Agreement, in addition to the QSA defined terms, the following terms shall have the meanings set forth below:

- (1) **Due Date.** As defined in Section 3.3 of this Agreement.
- (2) **Entitlement Water.** As defined in Recital J.
- (3) [Intentionally not used.]
- (4) [Intentionally not used.]
- (5) [Intentionally not used.]
- (6) **First Fifty Thousand Acquisition.** As defined in the IID/CVWD Acquisition Agreement.
- (7) **Expiration Date.** As defined in Recital G.
- (8) **NEPA.** As defined in Recital M.
- (9) **Occasional Reduction Notice.** As defined in the IID/CVWD Acquisition Agreement.
- (10) **Permanent Reduction Notice.** As defined in the IID/CVWD Acquisition Agreement.
- (11) **Postponement Notice.** As defined in the IID/CVWD Acquisition Agreement.
- (12) **Option.** As defined in the IID/MWD Acquisition Agreement.
- (13) **QSA.** As defined in Recital D.
- (14) **Replacement Water.** As defined in Section 4.1 of this Agreement.

(15) **RFER Exercise Notice.** As defined in the IID/MWD Acquisition Agreement.

(16) **Right of First Refusal.** As defined in the IID/MWD Acquisition Agreement.

(17) **Second Fifty-Three Thousand Acquisition.** As defined in the IID/CVWD Acquisition Agreement.

(18) [Intentionally not used.]

(19) **State Water Project.** As defined in Recital J.

**1.3 Rules of Construction and Word Usage.** The provisions of Section 1.2 of the QSA are incorporated herein by reference, unless the context requires otherwise.

## **ARTICLE 2 BASIC PROVISION**

Subject in all events to the specific terms and conditions of this Agreement:

(a) CVWD will compromise certain positions, amend the 1989 Approval Agreement, and cause portions of the Coachella Canal to be lined in order to create Conserved Water for acquisition in accordance with the Allocation Agreement, as defined in the QSA.

(b) MWD will compromise certain positions, amend the 1989 Approval Agreement, work cooperatively with CVWD to cause the State of California to pay for lining a portion of the Coachella Canal, reimburse CVWD for certain costs associated with CVWD's acquisition of Conserved Water from IID and provide CVWD with Replacement Water.

(c) CVWD and MWD agree that at the termination of this Agreement, neither the terms of the Agreement nor the conduct of the Parties in performance of this Agreement confers upon the other any legal or equitable rights that would not have existed in the absence of this Agreement and the Parties' performance hereunder.

## **ARTICLE 3 REIMBURSEMENT FOR A PORTION OF COST FOR CONSERVED WATER**

**3.1 Second Fifty-Three Thousand Acquisition Price.** The QSA and the IID/CVWD Acquisition Agreement provide that CVWD shall have the right to acquire the Second Fifty-Three Thousand Acquisition from IID for One Hundred Twenty-Five Dollars (\$125.00) in 1999 Dollars per AF.

**3.2 Reimbursement Obligations.** MWD hereby agrees to reimburse CVWD for a portion of the amount actually paid by CVWD to IID for acquisition of Fifty Thousand (50,000) AF out of the Second Fifty-Three Thousand Acquisition as follows:

(1) An amount equal to Seventy-five Dollars (\$75.00) in 1999 Dollars per AF for the first (1st) Twenty Thousand (20,000) AF per year of the Second Fifty Thousand Acquisition; and

(2) An amount equal to Forty-two Dollars and Fifty Cents (\$42.50) in 1999 Dollars per AF for the amount of water exceeding Twenty Thousand (20,000) AF per year of the Second Fifty Thousand Acquisition up to a maximum of Thirty Thousand (30,000) AF per year.

**3.3 MWD Payments of Reimbursement Obligations.** Promptly after receipt by CVWD and MWD of an annual invoice from IID with respect to water acquired pursuant to the Second Fifty-Three Thousand Acquisition, as contemplated by Section 6.1 of the IID/CVWD Acquisition Agreement, the appropriate officers of CVWD and MWD shall meet and confer with a view to reaching agreement on behalf of CVWD and MWD as to the accuracy (or inaccuracy) of such invoice and the substance of any joint communication to be timely made to IID with respect to the amounts due and owing by each of CVWD and MWD to IID.

(1) MWD shall pay directly to IID, by the Due Date and in the manner set forth in Sections 6.1 and 6.2 of the IID/CVWD Acquisition Agreement, MWD's share of any undisputed amount of each such invoice, plus fifty percent (50%) of its share of any jointly disputed amount. MWD also shall pay directly to IID the balance of any unpaid disputed amount, and shall be entitled to receive directly from IID MWD's share of any refund of a paid disputed amount, following final resolution of the payment dispute with IID.

(2) In the event that CVWD and MWD disagree, or are for any reason unable timely to reach agreement, as to the proper amount of MWD's reimbursement obligation under Section 3.2 with respect to any annual invoice from IID, MWD shall, at least two Business Days prior to the June 15 following the date of such invoice, provide to CVWD a written statement detailing MWD's position as to the proper amount of its reimbursement obligation thereunder and, on or before the Due Date, shall pay directly to IID with respect to such invoice the amount that MWD has determined to be proper and shall pay to CVWD fifty percent (50%) of the difference between such amount and the amount CVWD has determined to be MWD's proper reimbursement (but not in excess of the amount specifically allocated to MWD on the IID invoice). In any such event, CVWD shall assume unilateral responsibility for providing the appropriate statement to IID, and for making all required payments to IID (net of any payment made to IID by MWD) with respect to the IID invoice in question, pursuant to Section 6.1 of the IID/CVWD Acquisition Agreement.

(3) Any dispute between CVWD and MWD over the proper amount of MWD's reimbursement obligation shall be resolved pursuant to Section 12.1(1). Payment of the balance of any unpaid disputed amount or any refund of any of the disputed amount paid by MWD (including, in either case, late payment charges with respect to such amount accruing from the Due Date, as calculated in the manner set forth in Section 3.6 shall be due and payable on the tenth (10<sup>th</sup>) Business Day following final resolution of the payment dispute.

(4) The Parties acknowledge that CVWD is directly liable to IID for the full payment for the Second Fifty-Three Thousand Acquisition, and that, as an accommodation to the Parties, IID will accept direct payment from both MWD and CVWD. However, if MWD fails

timely to pay IID any amount to be paid by MWD directly to IID in accordance with this Section 3.3, and if CVWD instead pays such amount to IID, MWD shall promptly reimburse such amount to CVWD together with late payment charges accruing from the date such payment was originally due to be paid by MWD to IID, as determined in accordance with Section 3.6.

**3.4 Payments.** Any payment to CVWD required under this Agreement must be made in lawful money of the United States of America, to the order of CVWD, and paid by wire transfer. The initial wire transfer instructions are as follows:

COACHELLA VALLEY WATER DISTRICT

Wire to:  
Union Bank of California  
445 S. Figueroa Street  
Los Angeles, CA 90071  
ABA No. 122000496  
Contact Person: Donna Tredway

Credit to: Coachella Valley Water District  
Account No. 2740013028

**3.5 Timing of Payment.** Payment will be considered made by MWD upon confirmation of the funds being transferred and received by CVWD's bank, notwithstanding any clearing time or delay in CVWD's bank releasing funds to CVWD. CVWD may change these wire transfer instructions by giving notice in accordance with Section 15.12 below.

**3.6 Late Payments.** Payment of any amount required to be paid to CVWD shall be delinquent if not received by CVWD before the close of crediting activity on the date any such payment is due. In the event that MWD is delinquent in the payment to CVWD of any amount required, MWD shall pay a late payment charge equal to two percent (2%) of the delinquent payment for each month or portion thereof that such payment remains delinquent, provided, however, that if the total period of delinquency does not exceed five (5) Business Days, the additional charge shall be equal to one percent (1%) of the delinquent payment.

**3.7 Settling-Up Invoice.** Promptly after receipt by CVWD and MWD of an IID settling-up invoice, as contemplated by Section 6.4 of the IID/CVWD Acquisition Agreement, the appropriate officers of CVWD and MWD shall meet and confer with a view to reaching agreement on behalf of CVWD and MWD as to the accuracy (or inaccuracy) of such invoice and the substance of any joint communication to be timely made to IID with respect to the amounts due and owing by each of CVWD and MWD to IID or the amounts of credit to which each of CVWD and MWD shall be entitled. Should there be a disagreement between CVWD and MWD, or failure timely to reach agreement, concerning the payment or credit amounts of the IID settling-up invoice, the payment provisions pending resolution of the dispute will be the same as those applicable to disputes between CVWD and MWD over IID invoices as provided in Section 3.3 above.

## ARTICLE 4 REPLACEMENT WATER

**4.1 MWD Replacement Water Obligation.** The QSA and the IID/CVWD Acquisition Agreement relieve IID of the obligation to provide the Second Fifty-Three Thousand Acquisition to CVWD on the Expiration Date. MWD shall provide or cause to be provided to CVWD up to Fifty Thousand (50,000) AF of water per year to replace the Conserved Water theretofore provided by IID to CVWD ("**Replacement Water**") beginning on the day after the Expiration Date and continuing until the Termination Date. The extent of MWD's obligation to make the water available to CVWD if it is Colorado River water is to reduce MWD's diversions from the Colorado River below that which it would otherwise have been absent this obligation to permit the water so made available to be delivered by the Secretary to Imperial Dam. In the event that the Replacement Water obligation is fulfilled by non-Colorado River water, the Parties will work cooperatively to make all necessary arrangements to have the water delivered to CVWD at a mutually agreed upon delivery point. CVWD has no duty to divert any or all of the Replacement Water. The payments by CVWD to MWD for Replacement Water are due and payable whether or not CVWD diverts the water.

**4.2 Permanent Reduction of Replacement Water.** MWD's obligation to provide or cause to be provided Replacement Water will be reduced incrementally in reverse order to the extent of any water which is the subject of a Permanent Reduction Notice.

**4.3 Occasional Reductions to Replacement Water.** CVWD shall have a limited right to occasionally reduce the amount of Replacement Water. This limited right is subject to the following terms and conditions:

(1) **Annual Reduction Amount.** The occasional reductions shall be in a volume comprised of one or more increments of five thousand (5,000) AF.

(2) **Aggregate Reduction Maximum.** CVWD may not reduce its acquisition of Replacement Water by more than one hundred thousand (100,000) AF in the aggregate during any rolling ten-year period.

(3) **Frequency.** CVWD may not exercise its limited right to an occasional reduction in more than three years in any rolling ten-year period nor more than three years in succession.

(4) **Notice.** CVWD shall provide written notice to MWD at least one year prior to the January 1 of any Calendar Year in which the occasional reduction is to take place. The notice shall specify the annual reduction amount and number of years and contain sufficient information for MWD to determine CVWD compliance with aggregate maximum, and frequency limitations.

**4.4 MWD Use or Transfer of Non-Acquired Replacement Water.** MWD shall have the right to use or transfer the Replacement Water occasionally not acquired by CVWD subject to applicable restraints under then existing law. MWD shall make reasonable efforts to lawfully use or transfer Replacement Water occasionally not acquired by CVWD. If MWD reasonably chooses to use some or all of the non-acquired Replacement Water, CVWD shall be



relieved of its payment obligations for the volume used by MWD. If MWD lawfully transfers some or all of the Replacement Water occasionally not acquired by CVWD, CVWD shall be relieved of its payment obligation in an amount equal to the value of the consideration received by MWD in exchange for the transferred Replacement Water, provided however, that in no event will CVWD have any right to share in or receive any payment as a result of MWD's transfer of the Replacement Water. CVWD will also be relieved of its payment obligation to the extent of payments MWD would receive should MWD decide not to engage in a lawful transfer to a ready, willing and able transferee. CVWD can bring potential transferees to MWD's attention for MWD's consideration. Should MWD be unable to reasonably use or transfer the non-acquired Replacement Water, CVWD shall not be relieved of its payment obligation to MWD, but will be permitted to use the Replacement Water for any lawful purpose within its jurisdictional boundary.

**4.5 Replacement Water Price.** CVWD shall pay to MWD for the Replacement Water an amount equal to Fifty Dollars (\$50.00) in 1999 Dollars per AF for the first Twenty Thousand (20,000) AF of Replacement Water per year, Eighty-Two Dollars and Fifty Cents (\$82.50) in 1999 Dollars per AF for Replacement Water exceeding Twenty Thousand (20,000) AF of water per year up to a maximum of Thirty Thousand AF per year, plus in each case an amount equal to the lesser of (i) Three Dollars and Fifty Cents (\$3.50) in 1999 Dollars per AF, or (ii) the actual annualized cost incurred by MWD to comply with federal, state and local environmental laws and regulations, denoted as mitigation costs directly associated with making the water available to CVWD at Imperial Dam

**4.6 Invoices.** Invoices will be sent by MWD annually on June 1, and specify the date of mailing, date on which the payment becomes due, per acre-foot charges, and total amount due and owing. CVWD will send by the following June 15 a statement of acceptance of the invoice, or a statement detailing any disagreement in the per acre-foot charges or the total amount due and owing. Payment of the undisputed amount and fifty per cent (50%) of any disputed amount of any such invoice shall be due on the following July 1. Payment of the balance of any unpaid disputed amount, or refund of any of the paid disputed amount shall be due on the tenth (10<sup>th</sup>) Business Day following final resolution of the payment dispute.

**4.7 Amount of Annual Payments.** The amount for each annual payment is the quantity in AF of Replacement Water available to be acquired as of January 1 of that Year times the applicable price in 1999 Dollars.

**4.8 Method of Payment.** Every payment to MWD required under this Agreement must be made in lawful money of the United States of America, to the order of MWD and paid by wire transfer. The initial wire transfer instructions are as follows:

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Wire to:

Bank of America

Metropolitan Water District of Southern California

Credit to:

Account No. 1459350937

ABA No. 121000358

Payment will be considered made by CVWD upon confirmation of the funds being transferred and received by MWD's bank on or before the Due Date, notwithstanding any clearing time or delay in MWD's bank releasing funds to MWD. MWD may change these wire transfer instructions by giving notice in accordance with Section 15.12 below.

**4.9 Late Payments.** Payment of the amount required shall be delinquent if not received by MWD before the close of crediting activity on the date such payment is due. In the event that CVWD is delinquent in the payment of any amount required, CVWD shall pay a late payment charge equal to two percent (2%) of the delinquent payment for each month or portion thereof that such payment remains delinquent, provided, however, that if the total period of the delinquency does not exceed five (5) Business Days, the additional charge shall be equal to one percent (1%) of the delinquent payment.

**4.10 Annual Settling-Up Payment.** Although the payment provision set forth above is based on a price as of each July 1 expressed in 1999 Dollars, as adjusted by the Inflation Index, it is expected that as of the date that the invoice is to be prepared and sent to CVWD, only a United States published estimate of the relevant Inflation Index determinations may be available, with the final determination by the United States not being available until a later date. In contemplation of that circumstance, MWD shall send a settling-up invoice to CVWD within sixty (60) days of the United States publication of the relevant Inflation Index final determinations which identifies any change, as a payment or credit due, in the previously sent invoice. Within thirty (30) days of transmission of the MWD settling-up invoice, CVWD will send a statement of acceptance of the settling-up invoice, or a statement detailing any disagreement. The payment by or credit to CVWD will be due by adding the payment or subtracting the credit, in either case without interest, to the next June 1 invoice sent by MWD, with payment due on the following July 1. Should there be a disagreement in the payment or credit amount of the MWD settling-up invoice, the payment provisions pending resolution of the dispute will be the same as disputes over the June 1 invoices.

**4.11 Schedule.** CVWD shall, on an annual basis, prepare a schedule for the delivery of the Replacement Water for the next succeeding calendar year. MWD shall initiate or cause to be initiated making such water available to CVWD at Imperial Dam and shall make such water available pursuant to such schedule unless otherwise mutually agreed.

**4.12 No Cumulative Rights.** CVWD's right to acquire Replacement Water under this Agreement is not cumulative and CVWD has no right to any such Replacement Water that it does not divert within the Agreement Year. Thus, if CVWD fails to divert all of the Replacement Water to which it is entitled under this Agreement in any one Agreement Year, the

amount which CVWD is entitled to acquire and the amount that MWD is obligated to make available under this Agreement in any other Agreement Year is unaffected.

**4.13 Environmental Compliance.** Subject to the payment requirement set forth in Section 4.5 above, MWD shall, prior to the Termination Date, at its sole cost and expense, be responsible for compliance with all environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act, arising out of or in connection with making the Replacement Water available to CVWD at Imperial Dam and for compliance with all conditions and mitigation measures of each such consent or permit which must be satisfied for the purposes of making available the Replacement Water at Imperial Dam. The term “environmental laws” shall include, without limitation, CEQA, NEPA, the Endangered Species Act and other applicable state and federal environmental laws. In addition to the foregoing, MWD shall, at its sole cost and expense, apply for and obtain all necessary consents, approvals, permits, licenses or entitlements, if any, from all governmental authorities, including, but not limited to, the United States Fish and Wildlife Service and the California Department of Fish and Game for the purposes of making available Replacement Water at Imperial Dam.

## **ARTICLE 5 APPROVAL AGREEMENT WATER**

**5.1 IID/MWD 1988 Agreement and 1989 Approval Agreement.** The IID/MWD 1988 Agreement and the 1989 Approval Agreement shall be amended as set forth in the Amendment to the Agreement for the Implementation of a Water Conservation Program and Use of Conserved Water between the Imperial Irrigation District and The Metropolitan Water District of Southern California and the Amendment to Approval Agreement among the Imperial Irrigation District, The Metropolitan Water District of Southern California, Palo Verde Irrigation District, and Coachella Valley Water District, which Amendments are executed as of the date of this Agreement. The Agreement to Supplement Approval Agreement between MWD and CVWD dated December 19, 1989 shall be amended as set forth in the Amendment to Agreement to Supplement Approval Agreement between The Metropolitan Water District of Southern California and Coachella Valley Water District, which amendment is executed as of the date of this Agreement.

## **ARTICLE 6 DELIVERY AND EXCHANGE OF STATE WATER PROJECT WATER**

**6.1 MWD/CVWD Delivery and Exchange Agreement.** The delivery of 35,000 AF of MWD’s State Water Project entitlement to CVWD and the exchange of such Entitlement Water for a portion of MWD’s Colorado River water supplies shall be as set forth in MWD/CVWD Delivery and Exchange Agreement.

## **ARTICLE 7 CONDITIONS TO CVWD’s and MWD’s OBLIGATIONS**

**7.1 Satisfaction of Conditions.** CVWD’s rights to reimbursement and to acquire and pay for Replacement Water, and MWD’s obligations to provide Replacement Water and to

reimburse CVWD, are all subject to the Execution of the QSA and the Related Agreements dated as of the date of this Agreement.

**7.2 Written Waiver of Conditions.** The Parties may agree to waive in writing any one or more of the foregoing conditions, in whole or in part; provided, however, that neither Party shall waive review in accordance with CEQA or NEPA or other requirements under applicable laws.

**7.3 Extension by Agreement.** The Parties may agree to extend the date by which any condition must be satisfied or waived.

**7.4 Consequence of Failure of Conditions.** If the conditions in this Article are not timely satisfied or waived, then this Agreement will be void ab initio, and all rights granted by this Agreement will be terminated and forfeited.

## **ARTICLE 8 PRIORITIES 3a, 4, 5, 6a AND 7**

**8.1 Limitation on Diversions.** CVWD and MWD have agreed to limit diversions under Priorities 3a, 4, 5, 6a and 7 as explicitly set forth in the QSA.

## **ARTICLE 9 NOTICE OF OCCASIONAL AND PERMANENT REDUCTIONS**

**9.1 MWD Rights of First Refusal.** CVWD acknowledges the importance of, and acquiesces in, MWD's rights to acquire from IID any portions of the First Fifty Thousand or Second Fifty-Three Thousand Acquisitions that CVWD determined not to acquire in accordance with its rights to Occasional and/or Permanent Reductions, all as provided for Sections 3.5 and 3.7 of the IID/CVWD Acquisition Agreement, as well as the importance of the Option discussed below.

**9.2 CVWD Notices.** CVWD shall provide a copy of its Occasional Reduction Notice or Permanent Reduction Notice to MWD at the same time that the notice is provided to IID in accordance with Section 3.5 and 3.7 of the IID/CVWD Acquisition Agreement.

**9.3 MWD Notices.** MWD shall provide a copy to CVWD of its RFR Exercise Notice to either exercise its Right of First Refusal or its decision to decline the exercise of its Right of First Refusal at the same time that the RFR Exercise Notice is provided to IID in accordance with the terms of Section 5.1 of the IID/MWD Acquisition Agreement. By declining to exercise its Right of First Refusal MWD does not waive its rights, if any, under the QSA and Related Agreements, to challenge any transaction by CVWD and/or IID to make the Conserved Water available to others.

**9.4 MWD Rejection of RFR.** MWD's failure to provide the RFR Exercise Notice in accordance with Section 5.1 of the IID/MWD Acquisition Agreement shall be a conclusive rejection by MWD of its election to exercise its Right of First Refusal to any of the Conserved Water identified in the Occasional or Permanent Reduction Notice.

## **ARTICLE 10 OPTION WATER**

**10.1 MWD Option on Conserved Water.** CVWD acknowledges the importance of, and acquiesces in, MWD's rights pursuant to the Option to acquire from IID four thousand (4,000) AF of Conserved Water in 2008, eight thousand (8,000) AF of Conserved Water in 2009, and up to ten thousand (10,000) AFY in each of 2010 through 2016 to the extent that CVWD could have acquired such volumes of Conserved Water from IID in such Years, but elects pursuant to Section 3.3 or Section 3.4 of the IID/CVWD Acquisition Agreement to acquire less Conserved Water in such years than the maximum volumes otherwise contemplated under Section 3.1 of such Agreement.

(1) **Notices.** CVWD shall provide a copy of any Postponement Notice and/or Adjustment Notice to MWD at the same time that such notice is provided to IID in accordance with Sections 3.3 and 3.4 of the IID/CVWD Acquisition Agreement.

(2) **Exercise of Option.** MWD shall send to CVWD a copy of any MWD notice to IID of the exercise of MWD's rights under the Option as provided in Article 6 of the IID/MWD Acquisition Agreement.

(3) **Reimbursement of CVWD Environmental Costs.**

(i) In any Year in which MWD exercises its rights to acquire from IID Conserved Water under the Option or MWD's Right of First Refusal, MWD shall pay to CVWD for each acre-foot acquired as reimbursement to CVWD for environmental mitigation and Salton Sea Restoration Fund payments made by CVWD for such water an amount to be determined at such time ("**exercise date**") as follows:

(a) The base reimbursement amount per acre-foot shall be one (1) divided by the aggregate amount of Conserved Water that CVWD is entitled to receive from IID pursuant to the IID/CVWD Acquisition Agreement in effect as of the date of this Agreement, multiplied by the sum of the then present value of monies that CVWD has paid to the QSA-Joint Powers Authority ("**QSA-JPA**") as of the exercise date and the present value of the remaining monies that CVWD is obligated to pay to the QSA-JPA after the exercise date, and

(b) The present value calculations for purposes of clause (i) shall be done using the lesser of a six percent (6%) per annum interest/discount rate or such rate as may then be in effect for purposes of QSA-JPA calculations of payment obligations.

(ii) Upon the termination of the QSA-JPA, in the event that the then present value of CVWD's aggregate payments to the QSA-JPA, calculated by using the same interest/discount factor used for purposes of subsection (i) is less than the multiplier of the fraction used for purposes of subsection (i), then in such event the amount determined under subsection (i) shall be re-determined using such lower amount as the multiplier, and any difference refunded by CVWD to MWD, with interest at the same rate.

(iii) Payment under this section 10.1(3)(i) shall be made to CVWD at the same time as payment is made to IID for the Conserved Water acquired by MWD.

## **ARTICLE 11**

### **TERM**

**11.1 Term.** This Agreement shall commence as of the Closing Date and shall terminate on the Termination Date.

**11.2 Effective Date.** The obligations of the Parties under Articles 2, 3, 4, 5, 6, 8, 9, 10 and 15 hereof shall be contingent upon the occurrence of, and shall not become effective until, the Effective Date.

**11.3 Effect of Termination.** The provisions of Section 3.4 of the QSA are incorporated herein by reference.

## **ARTICLE 12**

### **DEFAULTS AND DISPUTES**

**12.1 Nature of Dispute or Claim.** Disputes between CVWD and MWD arising under this Agreement shall be resolved in accordance with the procedures described in this Article 12.

(1) Disputes between the Parties on the following subjects shall be resolved under the binding arbitration process set forth in Section 12.2: (i) the amount of any payment claimed by CVWD to be due and owing from MWD; (ii) the amount of any payment claimed by MWD to be due and owing from CVWD; (iii) the calculation or application of the Inflation Index; and (iv) the reasonableness of steps taken by CVWD or MWD to cure or resolve the effects of a Force Majeure event under Section 15.1;

(2) All other disputes and claims arising under this Agreement shall be resolved in an action or proceeding between the Parties, subject to the terms and conditions set forth in Section 12.3, unless otherwise mutually agreed.

**12.2 Arbitration.** Disputes on the subjects specified in Section 12.1 that cannot be resolved by agreement shall be resolved through binding arbitration conducted in a Neutral County or such other location as the Parties may agree.

(1) An arbitration proceeding may be initiated by either Party sending a demand for arbitration to the other Party in conformance with the Notice provisions set forth in Section 15.12 of this Agreement. The Parties shall impanel a group of three arbitrators by each designating an arbitrator of their choice who shall then select the third panel member. If the two arbitrators appointed by the Parties cannot agree on the selection of a third arbitrator within ten (10) Business Days after their designation, the third arbitrator shall be selected by the presiding judge of the Superior Court in the county in which the proceeding will be held. At least one of the arbitrators must be a person who has actively engaged in the practice of law with expertise deciding disputes and interpreting contracts. The arbitrators shall take an oath of impartiality

prior to the commencement of the arbitration proceeding. The Parties shall use their reasonable best efforts to conclude the arbitration proceeding within ninety (90) Business Days of the selection of the third panel member.

(2) The arbitrators shall conduct the proceeding in accordance with the procedural laws of California, and shall determine the rights and obligations of the Parties in accordance with substantive state and, if applicable, federal law. Discovery shall be governed by the California Code of Civil Procedure (“CCP”), with all applicable time periods for notice and scheduling provided therein reduced by one-half (½). Notwithstanding the preceding sentence, the arbitrators may establish other discovery limitations or rules. The arbitration process will otherwise be governed by the Commercial Arbitration Rules of the American Arbitration Association. All issues regarding compliance with discovery requests shall be decided by the arbitrators. A decision by at least two of three arbitrators will be deemed the arbitration decision. The arbitration decision shall be in writing and shall specify the factual and legal bases for the decision. The decision of such arbitrators shall be final and binding upon the parties, and judgment upon the decision rendered by the arbitration may be entered in the Neutral County superior court.

(3) The costs (including, but not limited to, reasonable fees and expenses of counsel and expert or consultant fees and costs), incurred in an arbitration (including the costs to enforce or preserve the decision) shall be borne by the Party whom the decision is against. If the decision is not clearly against one Party on one or more issues, each Party shall bear its own costs. The arbitration decision shall identify whether any Party shall be responsible for the other Party's costs.

**12.3 Actions or Proceedings Between the Parties.** Disputes on subjects other than those specified in Section 12.1(1) that cannot be resolved by agreement shall be resolved in an action or proceeding between the Parties subject to the following provisions;

(1) Each Party acknowledges that it is a “local agency” within the meaning of § 394(c) of the CCP. Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under § 394(a) of the CCP, as a matter of law be subject to (i) being transferred to a Neutral County, or (ii) instead, having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.

(2) Each party hereby:

(i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action or proceeding;

(ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;

(iii) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and

(iv) Acknowledges that this Agreement, and in particular this section, may be submitted to the court as part of the moving papers.

(3) Nothing in this Section 12.3 shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

### **ARTICLE 13 REMEDIES**

**13.1 Specific Performance.** Each Party recognizes and agrees that the rights and obligations set forth in this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party defaults by not performing in accordance with the specific wording of any of the provisions in this Agreement applicable to that Party, or otherwise breaches, the other Party would likely suffer irreparable harm. Therefore, if either Party breaches this Agreement, an action at law for damages or other remedies at law would be wholly inadequate to protect the unique rights and interests of the other Party to the Agreement. Accordingly, in any court controversy concerning this Agreement, the Agreement's provision will be enforceable in a court of equity by a decree of specific performance. This specific performance remedy is not exclusive and is in addition to any other remedy available to the Parties.

**13.2 Cumulative Rights and Remedies.** The Parties do not intend that any right or remedy given to a Party on the breach of any provision under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the nonbreaching Party fails to exercise or delays in exercising any such right or remedy, the nonbreaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power or privilege precludes any other or further exercise of a right, power or privilege granted by this Agreement or otherwise.

### **ARTICLE 14 EMINENT DOMAIN/TAKINGS**

**14.1 Effect on Agreement.** If at any time during the term of this Agreement, any of the Replacement Water to be made available to CVWD by MWD pursuant to this Agreement is taken for any part of the remaining term of this Agreement by lawful exercise of the power of eminent domain by any sovereign, municipality, public or private authority or other person ("**taking**"), the terms of this Agreement shall not be affected in any way, except that for the period of the taking as to the Replacement Water taken only, MWD shall be relieved of its obligation to make such Replacement Water available to CVWD and CVWD shall be relieved of its obligation to pay MWD for such Replacement Water. Each Party hereby waives any right it may have under the provisions of Code of Civil Procedure Section 1265.130 to petition the Superior Court to terminate this Agreement.

**14.2 Compensation for Taking.** The compensation paid for any taking of Replacement Water otherwise to be made available to CVWD pursuant to this Agreement (the



“**subject Replacement Water**”) shall be separately assessed under Code of Civil Procedure Section 1260.220(a) according to each party's interest as follows:

(1) CVWD shall be entitled to:

(i) Any compensation paid for the amount attributable to the market value of the subject Replacement Water for the period from the date of the taking to the earlier of the date of the end of the taking or the term of this Agreement in excess of the present value at the date of the taking of the amounts that CVWD would otherwise be obligated to pay to MWD for the subject Replacement Water under this Agreement;

(ii) Any compensation paid for severance damage to CVWD attributable to the taking of the subject Replacement Water; and

(iii) Any compensation paid for loss of goodwill to CVWD attributable to the taking of the subject Replacement Water.

(2) MWD shall be entitled to all other compensation paid, including but not limited to:

(i) Any compensation paid for the present value at the date of the taking of the amounts that CVWD would otherwise be obligated to pay to MWD for the subject Replacement Water under this Agreement;

(ii) Any compensation paid for severance damage to MWD attributable to the taking of the subject Replacement Water; and

(iii) Any compensation paid for the loss of goodwill to MWD attributable to the taking of the subject Replacement Water.

(3) Nothing in this Article 14 shall affect any right of either Party to relocation assistance benefits.

(4) Nothing in this Article 14 shall affect the rights or claims of either Party with respect to a taking of some or all of its water rights, including Colorado River water rights.

## **ARTICLE 15 GENERAL PROVISIONS**

**15.1 Force Majeure.** If the performance, in whole or in part, of the obligations of the respective Parties under this Agreement is hindered, interrupted or prevented by wars, strikes, lockouts, fire, acts of God or by other acts of military authority, or by any cause beyond the control of the respective Parties hereto, whether similar to the causes herein specified or not, such obligations of the respective Parties under this Agreement shall be suspended to the extent and for the time the performance thereof is affected by any such act. Upon the cessation of any such hindrance, interruption or prevention, both Parties shall become obligated to resume and

continue performance of their respective obligations under this Agreement. Notwithstanding any act described in this Section, the Parties shall diligently undertake all reasonable effort to perform this Agreement.

**15.2 Records.** Each of the Parties shall maintain and make available for inspection by the other Party, during regular office hours, accurate records pertaining to the times and amounts of exchange deliveries and to the costs, disbursements and receipts with respect to the construction, operation and maintenance of structures for the delivery of water to CVWD.

**15.3 Exchange Information.** CVWD shall consult with MWD in advance of providing information and shall provide MWD copies of the information CVWD provides to IID regarding any exchanges with MWD pursuant to Section 14.7 of the IID/CVWD Acquisition Agreement.

**15.4 No Conveyance.** This Agreement shall not be construed as a conveyance, abandonment or waiver of any right to the use of water which is held or owned by CVWD, or a conveyance, abandonment or a waiver of any right to the use of water which is held or owned by MWD. Nor shall it be construed as conferring any right whatsoever upon any person, firm, corporation or other public or private entity not a Party to this Agreement.

**15.5 Governing Law.** California law shall govern this Agreement and any dispute arising from the contractual relationship between the Parties under the Agreement; provided, however, that federal law shall be applied as appropriate to the extent it bears on the resolution of any claim or issue relating to the permissibility of any exercise of rights referenced in Article 9 or Article 10.

**15.6 Binding Effect; No Assignment.** This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any Assignment or Delegation made in violation of this Agreement is void and of no force or effect.

**15.7 Due Authority.** Any person signing this Agreement represents that he/she has full power and authority to do so, and, that his/her signature is legally sufficient to bind the Party on whose behalf he/she is signing.

**15.8 Entire Agreement.** This Agreement (including other agreements referenced in this Agreement) constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the acquisition of 1989 Approval Agreement Water, Replacement Water and Exchange Water by CVWD from MWD and the payment and reimbursement obligations of the Parties for Conserved Water, and supercedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

**15.9 Modification.** This Agreement may be supplemented, amended, or modified only by the agreement of the Parties. No supplement, amendment, or modification will be binding unless it is in writing and signed by both Parties.

**15.10 Time of the Essence.** Time is of the essence of and under this Agreement and of every provision thereof.

**15.11 Joint Defense.** The Parties agree to proceed with reasonable diligence and use reasonable best efforts to jointly defend any lawsuit or administrative proceeding challenging the legality, validity, or enforceability of any term of this Agreement, or any Party's right to act in accordance with any of the terms of this Agreement.

**15.12 Notice.** All notices, requests, demands, or other communications under this Agreement must be in writing, and sent to both addresses of each Party. Notice will be sufficiently given for all purposes as follows:

- *Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.
- *First-Class Mail.* When mailed first-class to the last address of the recipient known to the Party giving notice. Notice is effective five mail delivery days after it is deposited in a United States Postal Service office or mailbox.
- *Certified Mail.* When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.
- *Overnight Delivery.* When delivered by an overnight delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

Addresses for purposes of giving notice are as follows:

**To MWD:**

*For U.S. Mail:*

Metropolitan Water District of Southern California  
Attention: Chief Executive Officer  
P.O. Box 54153  
Los Angeles, CA 90054-0153

*For personal or overnight delivery:*

Metropolitan Water District of Southern California  
Attention: Chief Executive Officer  
700 North Alameda Street  
Los Angeles, CA 90012  
Telephone: 213-217-6211  
Facsimile: 213-217-6655

With a copy to:

Attention: General Counsel  
Addresses as provided above

**To CVWD:**

*For U.S. Mail:*

Coachella Valley Water District  
Attention: General Manager-Chief Engineer  
P.O. Box 1058  
Coachella, CA 92236

*For personal or overnight delivery:*

Coachella Valley Water District  
Attention: General Manager-Chief Engineer  
Avenue 52 and Highway 111  
Coachella, CA 92236  
Telephone: 760-398-2651  
Facsimile: 760-398-3711

With a copy to:

Gerald D. Shoaf, Esq.  
Steven B. Abbott, Esq.  
Redwine and Sherrill  
1950 Market Street  
Riverside, CA 92501-1720  
Telephone: 909-684-2520  
Facsimile: 909-684-9583

A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service. A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.

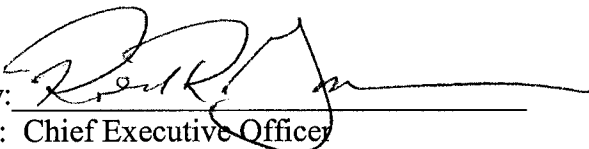
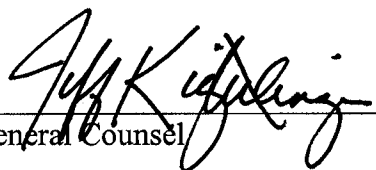
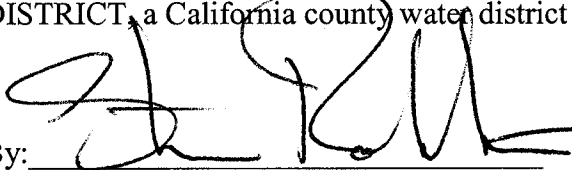
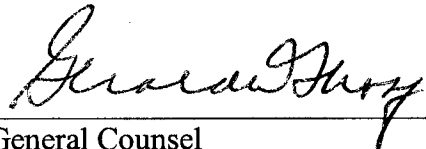
**15.13 Counting Days.** Days shall be counted by excluding the first day and including the last day, unless the last day is not a Business Day, and then it shall be excluded. Any act required by this Agreement to be performed by a certain day shall be timely performed if it is completed before 5:00 p.m. Pacific Time on that date, unless otherwise specified. If the day for performing any obligation under this Agreement is not a Business Day, then the time for performing that obligation shall be extended to 5:00 p.m. Pacific Time on the next Business Day.

**15.14 Ambiguities.** Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

**15.15 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is

attached to another counterpart identical thereto, except for having the additional signature page executed by the other Party to this Agreement attached thereto.

IN WITNESS WHEREOF, MWD and CVWD have executed this Agreement as of the day and year first written above.

<p>"MWD"</p>	<p>THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a California metropolitan water district</p> <p>By:  Its: Chief Executive Officer</p>
<p>Approved as to form:</p> <p>By:  Its: General Counsel</p>	
<p>"CVWD"</p>	<p>COACHELLA VALLEY WATER DISTRICT, a California county water district</p> <p>By:  Its: General Manager-Chief Engineer</p>
<p>Approved as to form:</p> <p>By:  Its: General Counsel</p>	

DELIVERY AND EXCHANGE AGREEMENT  
BETWEEN METROPOLITAN AND COACHELLA  
FOR 35,000 ACRE-FEET

This Delivery and Exchange Agreement ("Agreement") is entered into this tenth day of October, 2003, by and between the Coachella Valley Water District, a public agency ("CVWD"), and The Metropolitan Water District of Southern California, a public agency ("Metropolitan"). CVWD and Metropolitan are sometimes referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. On July 7, 1983 the Parties, along with the Desert Water Agency ("Desert") entered into separate agreements for delivery by Metropolitan of Colorado River water to Desert and CVWD in exchange for an equal amount of Desert's and CVWD's water from the State Water Project (the "1983 Exchange Agreements");
- B. Subject to an early cancellation provision, the 1983 Exchange Agreements extended the exchange of Metropolitan's Colorado River water for Desert's and CVWD's State Water Project water that had been in effect under agreements executed in 1967 until the end of the term of CVWD's and Desert's State Water Contracts, but in no event beyond the year 2035;
- C. On June 28, 1984 the Parties, including Desert, entered into an agreement which allowed Metropolitan to deliver exchange water to Desert and CVWD in advance of Metropolitan receiving their State Water Project water ("1984 Advance Delivery Agreement");
- D. This Agreement is independent of the 1983 Exchange Agreements and 1984 Advance Delivery Agreement;
- E. The Quantification Settlement Agreement entered into on or about October 10, 2003 ("Quantification Settlement Agreement"), among Imperial Irrigation District ("Imperial"), CVWD and Metropolitan provides that Metropolitan is to transfer to CVWD for a specified time period the right to utilize thirty-five thousand acre-feet (35,000 AF) of water available from Metropolitan's State Water Project entitlement ("Annual Table A Amount") pursuant to Metropolitan's State Water Project contract dated November 4, 1960, as amended from time to time, in return for which the transfer water will be exchanged for Colorado River water ("Delivery and Exchange");
- F. This Delivery and Exchange is separate and apart from a potential transfer for a specified time period of Table A water resulting from a transfer of one-hundred thousand acre feet ("100,000 AF") of Metropolitan's State Water Project Table A Amount amongst Metropolitan, CVWD and Desert. The Parties hereto and Desert shall meet in good faith from time to time, to conclude negotiations regarding the potential utilization and

exchange of the aforesaid 100,000 AF. The foregoing potential transfer shall not be contingent upon a proposed Metropolitan-CVWD conjunctive use program; and

- G. Except as specifically provided herein, the Parties do not intend to, and under the Agreement do not in any way, transfer, assign, encumber, or grant to each other any ownership interest in or control over each other's water rights, nor do they intend in any way to define, modify or agree on the proper use, purposes or limits of each other's water rights.

## ARTICLE 1

### **DEFINITIONS**

1.1 **Incorporated Definitions.** For purposes of this Agreement, the terms with initial capital letters shall have the meanings set forth in the Quantification Settlement Agreement or in the Acquisition Agreement Between CVWD and Metropolitan, dated on or about October 10, 2003, and Metropolitan's and Coachella's State Water Contracts, unless the context otherwise requires.

1.2 **Coachella's State Water Contract.** Contract between Coachella and State Department of Water Resources for a water supply dated March 29, 1963, as amended from time to time prior to this Agreement.

1.3 **Costs of Supply Payment** shall have the meaning set forth in Section 2.7 (Costs of Supply).

1.4 **Due Date.** Payment of amounts shall be due and owing on the tenth (10<sup>th</sup>) business day of the month following the receipt of such invoice.

1.5 **DWR.** California Department of Water Resources.

1.6 **Effective Date** shall have the meaning set forth in Section 3.1 (Term).

1.7 **Entitlement Water** has the meaning set forth in Section 2.1 (Delivery).

1.8 **Exchange Water** shall have the meaning set forth in Section 2.5 (Exchange Water).

1.9 **Metropolitan's State Water Contract.** That contract between Metropolitan and the State Department of Water Resources for a water supply dated November 1, 1960, as amended from time to time prior to and subsequent to this Agreement.

1.10 **Metropolitan's State Water Project Water.** Water which Metropolitan has a right to receive pursuant to Metropolitan's State Water Contract.

1.11 **Points of Delivery** shall have the meaning set forth in Section 2.6 (Points of Delivery).

1.12 **State Water Project**. Part of the State Water Resources Development System, authorized and constructed pursuant to Section 12930, *et seq.*, of the Water Code, to deliver water to various public agencies throughout the State, including Metropolitan and CVWD.

1.13 **Supplemental Energy**. Discretionary energy purchases made by Metropolitan in excess of the energy obtained by Metropolitan from Hoover and Parker Dam Power Plants, Southern California Edison contractual benefit energy or Southern California Edison and/or DWR Exchange Energy to pump water on the Colorado River Aqueduct.

1.14 **Whitewater Service Connections**. Those water delivery service connections located along the Colorado River Aqueduct at Station 09704+56 and Station 09380+55, or at other locations as mutually agreed upon by the parties.

1.15 **Annual Table A Amount and Entitlement** are interchangeable terms.

## ARTICLE 2

### **DELIVERY AND EXCHANGE**

2.1 **Delivery**. Pursuant to and subject to Metropolitan's State Water Contract and this Agreement, Metropolitan shall deliver to CVWD as of January 1 of the first year following the Effective Date and ending on the Termination Date, thirty-five thousand acre-feet (35,000 AF) of water available from Metropolitan's State Water Project Annual Table A Amount ("Entitlement Water").

2.2 **Consent of DWR**. CVWD and Metropolitan shall jointly seek the approval of DWR for the delivery of Metropolitan Entitlement Water under the terms and conditions of this Agreement. CVWD and Metropolitan shall also jointly seek any other approvals needed for the delivery of this Entitlement Water. Each party shall bear its own costs in procuring any such necessary approvals.

2.3 **Consultation**. Metropolitan and CVWD staff shall meet and consult by September 1<sup>st</sup> of each calendar year to discuss scheduling of water deliveries, and other operational issues as needed.

2.4 **Transfer Water Order**. On or by October 1<sup>st</sup> of each calendar year, Metropolitan shall include in its order to DWR 35,000 AF of Entitlement Water, unless eliminated or reduced pursuant to Section 2.10 (Requests to Eliminate or Reduce Water Delivered).

2.5 **Exchange Water**. All deliveries of Entitlement Water, of whatever amount is made available by DWR as a result of the order made pursuant to Section 2.4 (Transfer Water



Order), shall be exchanged with Metropolitan for 35,000 AF of Metropolitan's Colorado River water ("Exchange Water").

2.6 **Points of Delivery.** For purposes of this Agreement, the Entitlement Water shall be considered as delivered to CVWD by Metropolitan as Exchange Water at Imperial Dam, the Whitewater Service Connections, or through the Advance Delivery Agreement ("Points of Delivery"). CVWD shall be responsible for arranging delivery of the Exchange Water to CVWD's Service Area from these points of delivery. Except when, as permitted by this Agreement, Exchange Water is delivered through the Advance Delivery Agreement it shall be delivered at Imperial Dam unless CVWD and MWD agree that a delivery shall be made at the Whitewater Service Connections. In making the determination regarding delivery of Exchange Water at Imperial Dam or at the Whitewater Service Connections, the Parties shall cooperate to deliver Exchange Water at the point of delivery which provides the maximum flexibility to CVWD, except that delivery shall be arranged at Imperial Dam when Metropolitan determines that it needs to optimize the use of the Colorado River Aqueduct.

2.7 **Costs of Supply.** CVWD shall purchase the Entitlement Water from Metropolitan at a payment ("Costs of Supply Payment"), equivalent to \$60 per acre-foot in year 1999. This Costs of Supply Payment shall be annually adjusted according to the percentage change in State Water Project variable water delivery costs incurred compared to those costs incurred in the base year 1999. State Water Project variable water delivery costs shall include variable OMP&R, off-aqueduct power facilities charges, and future State Water Project costs paid by Metropolitan for variable water delivery costs and associated credits. An example of this adjustment is attached and incorporated into this Agreement as Exhibit "A."

2.8 **Costs of Delivery of Entitlement Water.** Metropolitan shall request DWR, as operator of the State Water Project, to deliver the Entitlement Water to Metropolitan at the Devil Canyon Afterbay (Reach 26A). Metropolitan shall pay to DWR all costs for the delivery of Entitlement Water.

2.9 **Costs of Delivery of Exchange Water.** Metropolitan shall arrange for the delivery of Exchange Water to CVWD at the points of delivery set forth in Section 2.6 (Points of Delivery). CVWD shall be responsible for any costs and arrangements associated with the transportation of the Exchange Water from Imperial Dam through the All American and Coachella Canals after delivery at Imperial Dam. If the Exchange Water is delivered at the Whitewater Service Connections, CVWD shall pay Metropolitan the Supplemental Energy Cost for delivery of the Exchange Water.

2.10 **Requests to Eliminate or Reduce Water Deliveries.**

2.10.1 **CVWD Requests.** CVWD may request that Metropolitan not deliver all or a portion of Exchange Water for a given year. Such request shall be made by September 1<sup>st</sup> of each year for deliveries to be made and/or arranged in the following calendar year. At its option, Metropolitan may accept or deny such request with Metropolitan's response due 30 days from CVWD's request. If Metropolitan accepts the request, Metropolitan shall not deliver the amount of the reduction in Exchange Water to CVWD in the following year and CVWD shall only make

the Costs of Supply Payment and the payment otherwise required by Section 2.9 (Costs of Delivery of Exchange Water) for the accepted reduced amount. If Metropolitan denies the request, CVWD shall remain obligated for making the Costs of Supply Payment to Metropolitan whether or not CVWD takes physical delivery of the Exchange Water for that year, as well as any payment otherwise required by Section 2.9 (Costs of Delivery of Exchange Water). If CVWD requests an increase in the amount of the Exchange Water during the calendar year, CVWD shall pay Metropolitan the Costs of Supply Payment and the payment otherwise required by Section 2.9 (Costs of Delivery of Exchange Water) no later than 10 days after Metropolitan's approval of the request, which shall be the Due Date for such payments.

2.10.2 **Metropolitan Requests.** Metropolitan may request that CVWD not take delivery of all or a portion of Exchange Water for a given year due to water shortages in Metropolitan's service area. Such request may be made at any time. At its option, CVWD may accept or deny such request with CVWD's response due 30 days from Metropolitan's request. If CVWD accepts such request or fails to respond within thirty (30) days, Metropolitan shall not be obligated to deliver Exchange Water for that year and CVWD shall not be obligated to make costs of supply payment to Metropolitan. If CVWD denies such request, Metropolitan shall be obligated to deliver Exchange Water under the terms of this Agreement.

## 2.11 **Payment.**

2.11.1 **Payment Schedule.** Metropolitan shall pay DWR the costs associated with the Entitlement Water including delivery. Metropolitan shall, on or after June 30 of each year invoice CVWD for the adjusted \$60.00 per acre-foot for 35,000 AF of water for that calendar year pursuant to Section 2.7 (Costs of Supply) plus all other costs pursuant to Section 2.9 (Costs of Delivery of Exchange Water). If less than 35,000 AF are delivered or adjustments are made by DWR to past billings, those additional costs or credits will be incorporated by Metropolitan into a subsequent billing of CVWD. Metropolitan shall provide billings and adjustments on an annual basis.

2.11.2 **Method of Payment to CVWD.** Every payment to CVWD required under this Agreement must be made in lawful money of the United States of America, to the order of CVWD and paid by wire transfer. The initial wire transfer instructions are as follows:

### **COACHELLA VALLEY WATER DISTRICT**

Wire to:

Union Bank of California

445 S. Figueroa Street

Los Angeles, CA 90071

ABA No. 122000496

Contact Person: Donna Tredway

Credit to:

Coachella Valley Water District

Account No. 2740013028

CVWD may change these wire transfer instructions by giving notice in accordance with Section 4.9 (Notices) below.

2.11.3 **Method of Payment to Metropolitan.** Any payment to Metropolitan that may be required under this Agreement must be made in lawful money of the United States of America, to the order of Metropolitan and paid by wire transfer. The initial wire transfer instructions are as follows:

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

Wire to:

Bank of America

Metropolitan Water District of Southern California.

Credit to:

Account No. 1459350937

ABA No. 121000358

Metropolitan may change these wire instructions by giving notice in accordance with Section 4.9 (Notices) below.

2.11.4 **Delinquent Payments.** Payment of the amounts required by this Agreement shall be delinquent if not received by CVWD or Metropolitan, as appropriate before the close of crediting activity on the Due Date. In the event that a Party is delinquent in the payment of any amount required, that Party shall pay an additional charge equal to two percent (2%) of the delinquent payment each month or portion thereof that such payment remains delinquent, provided however, that if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one percent (1%) of the delinquent payment.

2.12 **Use of Water.** CVWD shall not, absent the express written consent of Metropolitan, transfer, sell or permit usage of the Entitlement Water or the Exchange Water outside of its boundaries.

2.13 **Reliability of Exchange Water.** The Parties hereto acknowledge that DWR cannot guarantee the delivery of State Water Project Water, including the Entitlement Water, due to acts of God or reasons beyond the control of DWR, including without limitation dry hydrology. Notwithstanding the foregoing, Metropolitan shall be obligated to deliver annually to CVWD the full 35,000 AF of Exchange Water provided that CVWD is in compliance with its obligations under this Agreement and that CVWD has not made a request pursuant to Section 2.10 (Request to Eliminate or Reduce Deliveries). If CVWD has requested a reduction which has been approved by Metropolitan, Metropolitan shall be subject to the requirements of this Section as to such approved reduced amount.

2.14 **Advance Delivery of Exchange Water.** Metropolitan may opt to deliver to CVWD its full allocation of Exchange Water from stored advance delivery water as provided for in the 1984 Advance Delivery Agreement (including any future amendments). In such case, such stored advance delivery water shall be deemed delivered to CVWD. It shall be CVWD's obligation to access such water.

2.15 **Operational Discretion.** If deliveries are at the Whitewater Service Connections, Metropolitan's Chief Executive Officer shall have the right, upon giving reasonable written notice in advance thereof to CVWD, to control, curtail, interrupt or suspend the delivery of the Exchange Water to CVWD through the Colorado River Aqueduct whenever he/she shall reasonably determine that any such action is required for the proper inspection, repair, maintenance or operation of the Colorado River Aqueduct. Such notice shall be given to CVWD in the same manner as Metropolitan would notify a member agency pursuant to Metropolitan's Administrative Code. Metropolitan shall if possible deliver to CVWD the full 35,000 AF of Exchange Water in a year where there is such a shutdown of the Colorado River Aqueduct.

2.16 **Measurements of Deliveries.**

2.16.1 **Entitlement Water.** Deliveries of Entitlement Water shall be measured by measuring devices and equipment installed at the delivery structures for delivery of water from the State Water Project pursuant to Metropolitan's State Water Contract. All costs with respect to such measuring devices and equipment shall be borne by Metropolitan as provided in Article 11 of Metropolitan's State Water Contract, except that costs incurred for inspection of such devices and equipment made by or at the request of CVWD shall be paid or reimbursed to Metropolitan by CVWD.

2.16.2 **Exchange Water.** All Exchange Water delivered by Metropolitan to CVWD at the Whitewater Service Connections shall be measured by measuring devices and equipment installed at the delivery structure or structures at which Exchange Water is delivered by Metropolitan to CVWD. CVWD shall have the right, at any time, to require that any such device at the Whitewater Service Connections be tested for accuracy. Costs of testing measuring devices for Exchange Water shall be at the expense of the requesting party.

2.17 **Cessation of Deliveries.**

2.17.1 **Exchange Water.** Metropolitan shall not be liable to CVWD for any damages or liability arising from a failure of Metropolitan to deliver Exchange Water, which failure results either from a cessation or reduction of flow of water in the Colorado River Aqueduct below the quantities required from time to time for delivery to CVWD under this Agreement or from Metropolitan's exercise of rights pursuant to Section 2.14 (Advance Delivery of Exchange Water). CVWD shall defend and indemnify Metropolitan, its directors, officers, employees, agents, and representatives from and against any and all claims and liabilities which may result in any manner or to any extent from any such failure, or from any action or inaction by CVWD or its directors, officers, employees, agents or representatives done or made with respect to the receipt and

distribution by CVWD of the Exchange Water, including but not limited to, the construction, reconstruction, operation, maintenance, removal and repair of facilities necessary or used therefor.

2.17.2 **Entitlement Water.** CVWD shall not be liable to Metropolitan for any damages or liability arising from a failure of DWR to deliver the Entitlement Water to Metropolitan, which failure results from a cessation or reduction of flow of water in the State Water Project below the quantities required from time to time for delivery to Metropolitan under this Agreement. Metropolitan shall defend and indemnify CVWD, its directors, officers, employees, agents and representatives from and against any and all claims and liability which may result in any manner or to any extent from any such failure, or from any action or inaction by Metropolitan, its directors, officers, employees, agents or representatives done or made with respect to the receipt and distribution by Metropolitan of the Entitlement Water, including but not limited to, the construction, reconstruction, operation, maintenance, removal and repair of facilities necessary or used therefore.

### ARTICLE 3

#### **TERM**

3.1 **Term.** The term of this Agreement shall commence on the effective date (“Effective Date”) of the Quantification Settlement Agreement and shall end, on the earlier of the termination of the Quantification Settlement Agreement, or the expiration of Metropolitan’s State Water Project Contract. So long as the Quantification Settlement Agreement has not terminated and Metropolitan’s State Water Project Contract has been extended or replaced with a longer term agreement, this Agreement will automatically renew for a period coincident with the Quantification Settlement Agreement or the term of Metropolitan’s State Water Project Contract, whichever terminates earlier.

3.2 **Effect of Termination.** At the end of the term of this Agreement, Metropolitan’s obligation to deliver the Entitlement Water shall end. If a claim arising under this Agreement has not been resolved such provisions of this Agreement shall continue in full force and effect as are necessary for the purpose of resolving such claims to satisfy the rights and obligations of the Parties hereto. Upon resolution of any such claims, this Agreement shall terminate.

#### **GENERAL PROVISIONS**

4.1 **Force Majeure.** If the performance, in whole or in part, of the obligations of the respective parties under this Agreement is hindered, interrupted or prevented by wars, strikes, lockouts, fire, acts of God or by other acts of military authority, or by any cause beyond the control of the respective parties hereto, whether similar to the causes herein specified or not, such obligations of the respective parties under this Agreement shall be suspended to the extent and for the time the performance thereof is affected by any such act. Upon the cessation of any such hindrance, interruption or prevention, both parties shall become obligated to resume and continue performance of their respective obligations under this Agreement. Notwithstanding any

act described in this Section, the parties shall diligently undertake all reasonable effort to perform this Agreement.

4.2 **Inspection of Records.** Each Party shall maintain and make available for inspection by the other Party, during regular office hours, accurate records pertaining to the times and amounts of Exchange Water and Entitlement Water deliveries and to the costs, disbursements and receipts with respect to the delivery of the Exchange Water and the Transfer Water.

4.3 **Ambiguities.** Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

4.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4.5 **Binding Effect; No Assignment.** This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any assignment or delegation made in violation of this Agreement is void and of no force or effect.

4.6 **Representations.** Any person signing this Agreement represents that he/she has full power and authority to do so, and, that his/her signature is legally sufficient to bind the Party on whose behalf he/she is signing.

4.7 **Enforceability; Waiver.** In the event that any term or condition of this Agreement is determined to be invalid, illegal or otherwise unenforceable, such determination shall have no effect on the other terms and conditions which shall continue to be binding on the Parties hereto. Lack of enforcement of any term or condition of this Agreement shall not be construed as a waiver of any rights conferred by such term or condition. Unless otherwise agreed to in writing, the failure of any Party to require the performance by any other Party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver of any provision hereof on one occasion be taken or held to be a waiver of the provision itself.

4.8 **Entire Agreement.** This Agreement contains the entire understanding of the Parties with respect to the 35,000 AF Entitlement Delivery and Exchange between Metropolitan and CVWD that is the subject of this Agreement, and supercedes any prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, nor is either Party relying on, any representation or warranty outside those expressly set forth in this Agreement. This Agreement can be amended only in writing signed by both Parties.

4.9 **Notices.** Any communication, notice or demand of any kind whatsoever which any Party may be required or may desire to give to or serve upon the other Party, shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopying, if confirmed in writing, sent by registered or certified mail, postage prepaid, return receipt requested, or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

**CVWD:** Coachella Valley Water District  
Attention: General Manager-Chief Engineer  
P.O. Box 1058  
Coachella, California 92236

*For personal or overnight delivery:*

Coachella Valley Water District  
Attention: General Manager-Chief Engineer  
Avenue 52 and Highway 111  
Coachella, California 92236

Telephone: 760-398-2651  
Fax: 760-398-3711

**Metropolitan:** The Metropolitan Water District of  
Southern California  
Attention: Chief Executive Officer  
P.O. Box 54153  
Los Angeles, California 90054-0153

*For personal or overnight delivery:*

The Metropolitan Water District of  
Southern California  
Attention: Chief Executive Officer  
700 N. Alameda Street  
Los Angeles, California 90012

Telephone: 213-217-6000  
Fax: 213-217-6650

Any Party may change its address for notice by written notice given to the other Party in the manner provided in this section. Any such communication, notice or demand shall be deemed to have been duly given or served on the day personally served, if by personal service; one (1) day after the date of confirmed dispatch, if by electronic communication, or three (3) days after being placed in the U.S. mail, if mailed. A correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission by the Party to be notified will be deemed effective

as of the first date that that notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

4.10 **Further Performance.** Each Party agrees to perform any further acts and to execute and deliver any documents, which may be reasonably necessary to carry out the provisions of this Agreement.

4.11 **Time of the Essence.** Time is of the essence of and under this Agreement and of every provision thereof.

4.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to another counterpart identical thereto, except for having additional signature pages executed by other Parties to this Agreement attached thereto.

4.13 **No Third-Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns, if any. Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

4.14 **Attorney's Fees.** In the event of any legal action or proceeding arising from or related in any way to breach of or enforcement or interpretation of this Agreement, the prevailing party shall be entitled to recover from the other party or parties reasonable attorney's fees and court costs in such amounts as shall be allowed by the court.

4.15 **Retention of Water Rights.** Except as specifically provided for herein, this Agreement shall not be construed as a conveyance, abandonment or waiver of any water right, nor shall it be construed as conferring any right whatsoever upon any person, firm, corporation or other public or private entity not a party to this Agreement.

4.16 **Recitals.** All of the Recitals are hereby incorporated by this reference to the same extent as though herein set forth.

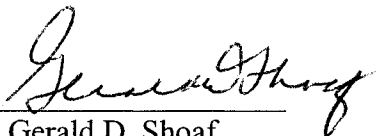
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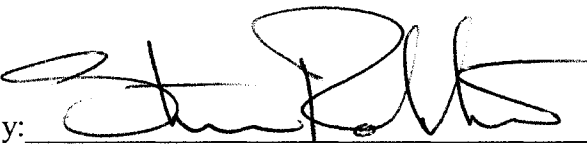


4.17 **Dispute Resolution.** In the event of a dispute, within thirty (30) days of the Parties identifying the existence of a dispute, the General Manager of CVWD and the Chief Executive Officer of Metropolitan shall meet and attempt to resolve the dispute to their mutual satisfaction. Any such resolution shall be in writing and be binding on the Parties.

Approved as to Form:


COACHELLA VALLEY WATER DISTRICT

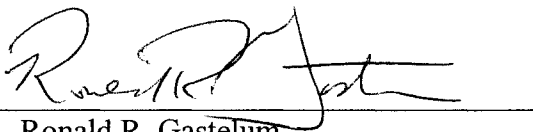
By:   
Gerald D. Shoaf  
General Counsel

By:   
Steve Robbins  
General Manager-Chief Engineer

Approved as to Form

THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA

By:   
Jeffrey Kightlinger  
General Counsel

By:   
Ronald R. Gastelum  
Chief Executive Officer

## **EXHIBIT A**

## **EXHIBIT A**

### **Adjustment to Cost of Supply**

#### **Basic Formula/Definition of Terms**

Adjusted Cost of Supply = (35,000 AF) x (\$60/AF) x (Adjustment Factor)

Adjustment Factor = (Current Year's Unit Power Costs / 1999 Unit Power Cost)

Current Year's Unit Power Costs = Melded Variable OMP&R and Off-Aqueduct Power  
Facility Costs + Future (Unidentified) Variable Cost

1999 Unit Power Cost = 1999 Melded Variable OMP&R and  
Off-Aqueduct Power Facility Costs

#### **Example Calculation for Year 2001**

Assumptions:

Melded Variable OMP&R and  
Off-Aqueduct Power Facility Cost for 2001 = 25.0 Mills/KWhr

Future (Unidentified) Variable Cost = 0 Mills/KWhr

Melded Variable OMP&R and  
Off-Aqueduct Power Facility Cost for 1999 = 19.43 Mills/KWhr

Adjustment Factor Calculation:

$$(25.0 \text{ Mills/KWhr} + 0 \text{ Mills/KWhr}) / (19.43 \text{ Mills/KWhr}) = 1.287$$

Adjustment Cost of Supply Calculation:

$$(35,000 \text{ AF}) \times (\$60/\text{AF}) \times (1.287) = \$2,702,007$$

**ENVIRONMENTAL COST SHARING, FUNDING, AND  
HABITAT CONSERVATION PLAN DEVELOPMENT AGREEMENT**

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**ENVIRONMENTAL COST SHARING, FUNDING, AND  
HABITAT CONSERVATION PLAN DEVELOPMENT AGREEMENT**

This Environmental Cost Sharing, Funding, and Habitat Conservation Plan Development Agreement ("Agreement") is entered into as of October 10, 2003 ("Agreement Date"), by and among the COACHELLA VALLEY WATER DISTRICT, a California county water district ("CVWD"); the IMPERIAL IRRIGATION DISTRICT, a California irrigation district ("IID"); and the SAN DIEGO COUNTY WATER AUTHORITY, a California county water authority ("SDCWA") (CVWD, IID, and SDCWA are sometimes referred to individually in this Agreement as "Party" and collectively as the "Parties").

**RECITALS:**

A. IID, MWD and CVWD have entered into the Quantification Settlement Agreement dated as of October 10, 2003 (the "QSA").

B. IID and SDCWA have executed an Agreement for Transfer of Conserved Water dated April 29, 1998, and various amendments thereto (collectively, the "1998 IID/SDCWA Transfer Agreement") subject to environmental review and other conditions, which describes certain proposed activities involving the conservation of water by IID and the transfer of the conserved water to SDCWA.

C. IID and SDCWA have entered into an agreement dated January 27, 2000 to share certain costs related to the environmental review and compliance process and other state and federal approvals required to satisfy conditions necessary to implement the transactions described in the 1998 IID/SDCWA Transfer Agreement on the terms set forth therein (as the same may be amended from time to time, the "IID/SDCWA Cost Sharing Protocol").

D. The State of California has enacted the QSA Legislation as defined in the QSA.

E. The Parties and the State of California have executed the QSA-JPA as defined in the QSA, which provides, among other things, that Environmental Mitigation Costs for the IID water budget and certain IID transfers pursuant to the QSA and Related Agreements in excess of one hundred thirty-three million dollars (\$133,000,000) in Effective-Date Dollars shall be the exclusive responsibility of the State of California so as to ensure compliance with all federal and state environmental laws, including but not limited to the federal Endangered Species Act, federal Clean Air Act, and federal Clean Water Act.

NOW, THEREFORE, in consideration of the above recitals and the mutual promises set forth herein, the Parties hereby agree as follows:

**ARTICLE 1  
DEFINITIONS**

**1.1. Incorporated Definitions.** The terms with initial capital letters that are used in this Agreement shall have the same meaning as set forth in Section 1.1 of the QSA, as of the Closing Date of the QSA, unless the context otherwise requires.

**1.2. Additional Definitions.** The following terms with initial capital letters shall have the meaning as set forth below.

(1) **Changed Circumstances.** Changes in circumstances affecting a species or the geographic area covered by the HCP that can reasonably be anticipated by the parties and that can reasonably be planned for in the HCP (e.g. a fire or other natural catastrophic event in areas prone to such event.) Changed Circumstances and the planned responses to those circumstances are described in the Draft HCP.

(2) **Class A Covered Species.** The species identified in Table 1.5-1 of the Draft HCP, but excluding the 25 species identified in Table 3.9-1 of the Draft HCP.

(3) **Class B Covered Species.** The species identified in Table 3.9-1 of the Draft HCP.

(4) **Costs.** All out of pocket costs reasonably incurred by a Party for a specified purpose pursuant to this Agreement, including, but not limited to, financing costs, costs of the Parties' staff, contractors, equipment, and real and personal property. The cost of real property shall be determined by its fair market value as defined in California Code of Civil Procedure §§ 1263.310 et seq.

(5) **Covered Activities.** Those activities described as Covered Activities in the Draft HCP.

(6) **Covered Species.** Class A Covered Species and Class B Covered Species.

(7) **Decision Date.** October 10, 2003.

(8) **Draft HCP.** The draft Habitat Conservation Plan dated June 2002 and included in the Final EIR/EIS for the IID Water Conservation and Transfer Project, as certified by the IID Board on June 28, 2002.

(9) **Environmental Litigation Costs.** All Costs reasonably incurred by any Party to defend any litigation involving transactions contemplated by the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement that challenges in whole or in part compliance with applicable environmental laws and regulations or any permit, appraisal, authorization, opinion, assessment or agreement pursuant to any other federal or any state resource protection law or applicable federal or state regulation implementing same.

(10) **Environmental Mitigation Costs.** All Costs reasonably incurred by any Party to satisfy the Environmental Mitigation Requirements. Reasonable attorneys' fees incurred for legal services related to the financing of environmental mitigation expenses shall be included as Mitigation Costs, but no other attorneys' fees incurred by any Party shall be included.

(11) **Environmental Mitigation Requirements.** Any measure required as a result of any Environmental Review Process for activities which are part of or in furtherance of the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement or the



Project described in the Final EIR/EIS for the IID Water Conservation and Transfer Project, certified by IID on June 28, 2002, as modified and supplemented by the Addendum thereto dated September 2003, but still including the Draft HCP, the HCP Mitigation Requirements, the transfer of up to 145 KAF in the aggregate as an Interim Surplus Backfill as referenced in the IID/DWR Transfer Agreement, and including the arrangement for ensuring adequate funding to pay for all required measures, but excluding activities and Costs incurred to address:

(i) Environmental impacts within the CVWD, and SDCWA service areas other than impacts related to the Salton Sea within the CVWD service area;

(ii) Environmental impacts associated with the All-American Canal and the Coachella Canal lining projects;

(iii) Environmental impacts associated with the Lower Colorado River, other than impacts that are attributable to the transfer of Conserved Water from IID to SDCWA pursuant to the 1998 IID/SDCWA Transfer Agreement; and

(iv) Any socioeconomic impacts.

(12) **Environmental Review Costs.** All Costs, including attorneys' fees, reasonably incurred by any Party in connection with any Environmental Review Process. Environmental Review Costs incurred prior to the Agreement Date shall be governed by Section 3.1 and shall not be included in Environmental Mitigation Costs.

(13) **Environmental Review Process.** Any process:

(i) To conduct environmental review and/or assessment required under CEQA, NEPA and applicable federal, state and agency regulations implementing those statutes;

(ii) To obtain any permit, approval, authorization, opinion, assessment or agreement pursuant to the Endangered Species Act ("ESA"), the California Endangered Species Act ("CESA"), the Natural Community Conservation Planning Act ("NCCPA"), the state and federal air quality laws, the California Water Code, the public trust doctrine, or any other federal or state environmental resource protection law or applicable federal or state regulations implementing same; and/or

(iii) To study and/or design any mitigation required to comply with CEQA, NEPA, ESA, CESA, NCCPA, the state and federal air quality laws, the California Water Code, or any other federal or state resource protection law or applicable federal or state regulations implementing same;

(iv) But not the Lower Colorado River Multi-Species Conservation Program among the States of California, Arizona and Nevada.

(14) **Expected Environmental Mitigation Costs.** The estimated present value costs of satisfying the Environmental Mitigation Requirements, which are stated and described in Exhibit A, attached hereto.

(15) **Expected HCP Mitigation Costs.** That portion of the Expected Environmental Mitigation Costs attributable to the HCP Mitigation Requirements, such Costs being described in Exhibit A.

(16) **HCP Mitigation Requirements.** All Environmental Mitigation Requirements described in Exhibit B attached hereto, and any modified or additional mitigation requirements that may be created pursuant to the HCP described in Section 5 herein. HCP Mitigation Requirements include, but are not limited to, actions to avoid, reduce, minimize, mitigate, or compensate for impacts on Covered Species and their habitat, and also actions to enhance the survival or recovery of the Covered Species.

(17) **Parties' Funds.** Funds required to be provided by the Parties to the QSA-JPA for Environmental Mitigation Requirements in the amounts set forth on Exhibit E.

(18) **Permits.** Collectively, incidental take permits issued by the U.S. Fish and Wildlife Service pursuant to 16 U.S.C. Section 1539(a)(1)(B) and by the California Department of Fish and Game pursuant to Fish and Game Code Sections 2081 and 2835.

(19) **Permit Effective Date.** The date the Permits take effect under applicable laws and regulations.

(20) **Remaining Environmental Mitigation Costs.** Environmental Mitigation Costs in excess of such Costs paid by the Parties' Funds.

(21) **Resource Approval Requirements.** The respective actions and responsibilities of the Parties, as lead agency or otherwise, undertaken in connection with the Resource Approvals contemplated by Section 6.2(2)(ii) of the QSA.

(22) **Review Requirements.** The Environmental Review and assessments undertaken by the respective Parties, as lead agency or otherwise.

(23) **State Obligation.** The amount, if any, of the Environmental Mitigation Costs required to be paid by the State of California pursuant to the QSA-JPA. The Parties understand the State Obligation to be an unconditional contractual obligation of the State of California not dependent on any further State action, and are relying on the State Obligation in order to comply with the extensive state and federal requirements that mandate Environmental Mitigation Requirements. In addition, the Parties are relying on the State Obligation in making contracts with third parties, including without limitation, landowners and farmers in the Imperial Valley who will be entering contracts to produce conserved water.

(24) **State Loan Guarantee.** A binding commitment by the California Infrastructure & Economic Development Bank to unconditionally guarantee the repayment in full of any outstanding debt incurred by the IID to fund capital improvements for the creation of Conserved Water provided for under the QSA and its Related Agreements, in an amount not to exceed One Hundred Fifty Million Dollars (\$150,000,000) in 2003 dollars, in the event that the QSA term ends prior to Year 45 of the QSA or, in lieu of an unconditional guarantee, a reasonable economic equivalent. Such guarantee shall be without any rights of recourse, subrogation, reimbursement, contribution or indemnity against the IID.

(25) **Unexpected Environmental Mitigation Costs.** Any Costs required for satisfaction of Environmental Mitigation Requirements that exceed Expected Environmental Mitigation Costs.

(26) **Unexpected HCP Mitigation Costs.** Any Costs required for satisfaction of HCP Mitigation Requirements that exceed Expected HCP Mitigation Costs.

(27) **Unforeseen Circumstances.** Changes in circumstances affecting a species or geographic area covered by the HCP that could not reasonably have been anticipated by IID at the time of the preparation of the Draft HCP.

(28) **Wildlife Agencies.** Collectively, the U.S. Fish and Wildlife Service ("USFWS") and the California Department of Fish and Game ("CDFG").

**1.3. Rules of Construction and Word Usage.** Unless the context clearly requires otherwise:

(1) The Recitals to this Agreement are a part of this Agreement to the same extent as the Articles;

(2) The Exhibits attached to this Agreement are incorporated by reference and are to be considered part of the terms of this Agreement;

(3) The plural and singular numbers include the other;

(4) The masculine, feminine, and neuter genders include the others;

(5) "Shall," "will," "must," and "agrees" are each mandatory;

(6) "May" is permissive;

(7) "May not" is prohibitory;

(8) "Or" is not exclusive;

(9) "Includes" and "including" are not limiting;

(10) "Between" includes the ends of the identified range; and

(11) "Person" includes any natural person or legal entity.

## **ARTICLE 2**

### **ENVIRONMENTAL MITIGATION MANAGEMENT**

**2.1. Ongoing Review Requirements.** The Parties will cooperate and consult with one another with a view to assuring the timely and proper completion of all environmental reviews and assessments.

## **2.2. Ongoing Resource Approval Requirements.**

(1) **Primary Responsibility.** After the Agreement Date, each Party serving as a lead agency, co-lead agency, applicant, petitioner or otherwise in a position of authority and responsibility with respect to any resource approval shall obtain the prior consent of the other Parties (which consent may not be unreasonably withheld) before entering into a binding agreement with any person, including a Party, which contains terms and conditions pertaining to such approval requiring the incurrence of significant Environmental Mitigation Costs that will be funded or reimbursed pursuant to this Agreement.

(2) **Cooperation and Consultation.** The Parties will cooperate and consult with one another, as appropriate, with a view to assuring the timely acquisition of all resource approvals.

## **2.3. Mitigation Implementation Measures.**

(1) **Primary Responsibility.** Each Party serving as a lead agency, co-lead agency, applicant, petitioner or otherwise in a position of authority and responsibility with respect to the acquisition, construction or carrying out of Environmental Mitigation Requirements that will result in Environmental Mitigation Costs that will be funded or reimbursed pursuant to this Agreement shall exercise due care and prudence in the making of any decision and the performance of any activity relating to such measures.

(2) **Cooperation and Consultation.** The Parties will cooperate and consult with one another, as appropriate, with a view to assuring the timely and proper implementation of all Environmental Mitigation Requirements described in Section 2.3(1) at a reasonable cost consistent with the Parties' interests in minimizing their respective obligations under this Agreement and the public interest.

## **ARTICLE 3 ENVIRONMENTAL REVIEW AND LITIGATION COSTS**

**3.1. Environmental Review Costs.** Within thirty (30) days after the Agreement Date, CVWD shall pay IID Two Hundred Thousand Dollars (\$200,000). Except for the foregoing, and except as otherwise provided for in this Agreement or as a Party and one or more of the other Parties may otherwise agree under the IID/SDCWA Cost Sharing Protocol or under any other cost sharing protocol or similar written arrangement, each Party shall bear its own Environmental Review Costs incurred prior to or after the Effective Date.

**3.2. Environmental Litigation Costs.** It is contemplated that the Parties will join in the defense of any environmental litigation pertaining to the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement. Each Party shall bear its own Environmental Litigation Costs incurred in connection with any such defense, except as such Party may otherwise agree pursuant to a joint defense agreement between or among one or more of the other Parties pertaining to any such defense and specifying the respective responsibilities of the parties to such agreement, including any cost-sharing with respect thereto.

**3.3. Federal Agency Reimbursement Claims.** If BOR, the USFWS, or any other federal agency request the Parties to reimburse it for any of its costs in consulting, participating in, or conducting an environmental assessment, or any part thereof, with respect to the Review Requirements or Resource Approval Requirements, and if the Parties agree to the request, then the Parties will share and pay such requested reimbursement as follows: thirty-three percent (33%) by IID, thirty-three percent (33%) by CVWD, and thirty-three percent (33%) by SDCWA. Each Party shall pay its share of any such requested reimbursement directly to the requesting agency and shall notify the other Parties of the date and amount of such payment. This Section shall not apply to reimbursement requests arising out of: (i) environmental impacts within the CVWD (other than Pupfish Conservation Measures 1, 2, and 3 outlined in the December 18, 2002 Biological Opinion issued by the USFWS) and SDCWA service areas; (ii) environmental impacts associated with the All-American Canal and the Coachella Canal lining projects; (iii) environmental impacts associated with the Lower Colorado River; and (iv) any socioeconomic impacts.

**3.4. California Agency Reimbursement Claims.** If the CDFG, or any other California State agency, requests the Parties to reimburse it for any of its costs in consulting, participating in, or conducting an environmental assessment, or any part thereof, with respect to the Review Requirements, or Resource Approval Requirements, and if the Parties agree to the request, then the Parties will share and pay such requested reimbursement as follows: thirty-three percent (33%) by IID, thirty-three percent (33%) by CVWD, and thirty-three percent (33%) by SDCWA. Each Party shall pay its share of any such requested reimbursement directly to the requesting agency and shall notify the other Parties of the date and amount of such payment. This Section shall not apply to reimbursement requests arising out of: (i) environmental impacts within the CVWD (other than Pupfish Conservation Measures 1, 2, and 3 outlined in the December 18, 2002 Biological Opinion issued by the USFWS) and SDCWA service areas; (ii) environmental impacts associated with the All-American Canal and the Coachella Canal lining projects; (iii) environmental impacts associated with the Lower Colorado River; and (iv) any socioeconomic impacts.

## **ARTICLE 4 ENVIRONMENTAL MITIGATION COSTS**

### **4.1. Allocation of Environmental Mitigation Costs.**

(1) **In General.** Environmental Mitigation Costs shall be paid to the QSA-JPA from the Parties' Funds in the amounts set forth in Exhibit D and on the schedules attached as exhibits to the QSA-JPA.

(2) **IID Contribution.** IID's total payments of Environmental Mitigation Costs shall not exceed Thirty Million Dollars (\$30,000,000), as described in the 1998 IID/SDCWA Transfer Agreement, as amended as of the Closing Date of the QSA, and paid on the schedule attached to the QSA-JPA. IID shall also pay to the QSA-JPA the Settlement and Efficiency Opportunity Payment as required pursuant to the 1998 IID/SDCWA Transfer Agreement and IID/CVWD Acquisition Agreement on the schedule attached to the QSA-JPA.

(3) **Conditions Precedent.** As of the Closing Date, a binding commitment for the State Loan Guarantee in a form acceptable to the IID, and a binding commitment for the State Obligations in a form acceptable to the Parties shall have been obtained.

**4.2. Payment of Unexpected and Remaining Environmental Mitigation Costs.**

(1) **Unexpected Environmental Mitigation Costs.** Unexpected Environmental Mitigation Costs shall first be paid from any available Parties' Funds, and then from the State Obligation.

(2) **Remaining Environmental Mitigation Costs.** In the event that the State determines that the costs of Remaining Environmental Mitigation Costs during the term of the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement under this Section 4.2(2) would be reduced if modifications were made to IID's operations, then IID shall make such modifications, provided that, with respect to each such modification:

(i) IID has approved the modification, which approval shall not be unreasonably withheld;

(ii) The modification has been approved by the Wildlife Agencies and all governmental permits and approvals required to implement the modification have been obtained;

(iii) The modification is capable of reasonable implementation in compliance with all applicable laws;

(iv) The cost of such modification, including, but not limited to, the cost of processing any required governmental permits and approvals, the cost of processing any necessary environmental review, and the cost of implementing any mitigation measures required as a result of environmental review or any governmental permit or approval, shall be deemed included in Expected, Unexpected or Remaining Unexpected Mitigation Costs;

(v) The modification does not require any new fallowing, or the continuation of any existing fallowing, or any request for water deliveries, or the use of different crops, different acreage, a different amount of acreage or different farming methods, or the like; and

(vi) If the modification involves terminating or reducing the operation of a capital project, the affected owner/operator (IID or a farmer) can reasonably return to operations or farming as it existed prior to the installation of the capital project.

**4.3. Payment and Reimbursement of Environmental Mitigation Costs, as Incurred.**

(1) **In General.** Each Party will maintain proper accounting records detailing the Environmental Mitigation Costs paid by it to the QSA-JPA. Except as may otherwise be agreed by the Parties, indirect costs shall not be counted as incurred costs. For purposes of this Agreement, “indirect costs” include, but are not limited to, overhead costs, losses of revenue from any source and other opportunity costs of any kind.

(2) **Quantification of Incurred Costs.** Each Party will provide to the other Parties within 30 days after the end of each calendar quarter a detailed report setting forth the Environmental Mitigation Costs paid by it during such quarter. The form of such report will be as agreed from time to time by the Parties. Each such report will be subject to audit and verification by any Party, at that Party’s expense.

(3) **Costs In the Event of Termination.** If the 1998 IID/SDCWA Transfer Agreement and/or the IID/CVWD Acquisition Agreement are terminated, the obligation of the Parties’ Funds and of the State to pay for Environmental Mitigation Costs and Remaining Environmental Mitigation Costs attributable to the impacts caused by the Conserved Water transferred or acquired during the term of the 1998 IID/SDCWA Transfer Agreement and/or the IID/CVWD Acquisition Agreement shall continue as long as Environmental Mitigation is necessary to mitigate any continuing impacts that last beyond termination.

(4) In the event that the State determines that the costs of Remaining Environmental Mitigation Costs after termination of the 1998 IID/SDCWA Transfer Agreement and/or the IID/CVWD Acquisition Agreement under this Section 4.3(4) would be reduced if modification were made to IID’s operations or to the operations of a farmer within IID’s service area, then IID shall make such modifications, provided that, with respect to each such modification:

(i) IID has approved the modification, which approval shall not be unreasonably withheld;

(ii) The modification has been approved by Wildlife Agencies and all governmental permits and approvals required to implement the modification have been obtained;

(iii) The modification is capable of reasonable implementation in compliance with all applicable laws;

(iv) The cost of such modification, including, but not limited to, the cost of processing any required governmental permits and approvals, the cost of processing any necessary environmental review, and the cost of implementing any mitigation measures required as a result of environmental review or any governmental permit or approval, shall be deemed included in Remaining Mitigation Costs;

(v) The modification does not require any new fallowing, or the continuation of any existing fallowing, or any request for water deliveries, or the use of

different crops, different acreage, a different amount of acreage or different farming methods, or the like; and

(vi) If the modification involves terminating or reducing the operation of a capital project, the affected owner/operator (IID or a farmer) can reasonably return to operations or farming as it existed prior to the installation of the capital project.

In the event that the State determines that the costs referred to in the preceding paragraph could be reduced through modification of the operations of a farmer within the IID service area, the State shall notify IID of the estimated amount of such reduction in costs and shall request that IID request that the farmer take such action and/or modify operations so as to reduce said costs. IID shall thereupon determine whether the requested modification meets the requirements of subparagraphs (i) through (vi) of the preceding paragraph and if it does, shall request that the farmer undertake such modifications. If the farmer fails to undertake such modifications, the State shall not be obligated to pay any such costs to the extent that the requirement for such mitigation could be avoided or reduced by the requested changes.

## **ARTICLE 5 HABITAT CONSERVATION PLAN**

**5.1. Approval of HCP.** Commencing with the Agreement Date, SDCWA and CVWD, in consultation and collaboration with IID, shall use their best efforts to cause the USFWS and the CDFG to approve, prior to December 31, 2006, a habitat conservation plan/natural community conservation plan ("HCP") and related Permits which satisfy all of the standards and criteria described in Section 5.2. The obligation to utilize such best efforts shall continue except to the extent that coverage of a species is deemed infeasible pursuant to Section 5.4 below. "Best efforts" means the prudent, diligent and good-faith efforts of SDCWA and CVWD to secure the HCP and related Permits as a fiduciary for the benefit of IID, but shall not require the expenditure by SDCWA and CVWD together of more than Five Million Dollars (\$5,000,000) in 2002 dollars to fund third-party consultants tasked with developing the HCP. . CVWD shall not be required to commit its staff and in-house resources in excess of two qualified employee equivalents.

**5.2. HCP Standards and Criteria.** The HCP and the Permits shall:

(1) Comply with all applicable requirements of the ESA, CESA and Natural Community Conservation Planning Act;

(2) Provide IID with the authority to implement the Covered Activities in compliance with ESA and CESA;

(3) Provide IID with the authority to take the Covered Species incidental to the Covered Activities pursuant to ESA and CESA. Such take authority shall become effective no later than (i) the Permit Effective Date with regard to any Covered Species that is listed as an endangered species or threatened species under ESA as of the Permit Effective Date, (ii) the Permit Effective Date with regard to any Covered Species that is listed as a candidate species, threatened species or endangered species pursuant to CESA as of the Permit Effective Date, (iii) immediately upon the listing (and without further action or approval by USFWS) of any other



Covered Species as a threatened species or endangered species pursuant to ESA after the Permit Effective Date, and (iv) immediately upon the listing (and without any further approval action or approval by CDFG) of any Covered Species that is listed as a candidate species, threatened species or endangered species pursuant to CESA after the Permit Effective Date;

(4) Have a term of years not less than forty-five (45) years from the Permit Effective Date, except that coverage for the white pelican, black skimmer, and double-crested cormorant may be limited to a term of fifteen (15) years from the Permit Effective Date;

(5) Not impose on IID, or otherwise require IID to fund, support or implement, any Environmental Mitigation Requirements other than the HCP Mitigation Requirements described on Exhibit A. In no event shall IID be obligated to pay for any Costs of complying with or implementing the HCP or complying with the Permits, in excess of Section 4.1(2) or other limitation on IID's obligation to pay for mitigation costs.

(6) Include an Implementation Agreement among IID and the Wildlife Agencies that describes the rights and obligations of IID and the Wildlife Agencies with regard to the implementation of the HCP. The Implementation Agreement shall, at a minimum, include the following covenants in a form that is valid, binding and enforceable by IID:

(i) In the event of Unforeseen Circumstances, USFWS and CDFG will not require from IID the commitment of additional land, water, or financial compensation or additional restrictions on the use of land, water, or other natural resources with regard to the impacts of the Covered Activities on the Covered Species;

(ii) Except for the HCP Mitigation Requirements described on Exhibit A, no limitations or restrictions shall be imposed on IID, either directly or indirectly, by USFWS or CDFG with regard to the impacts of the Covered Activities on the Covered Species or with regard to the impacts on the Covered Species attributable to Changed Circumstances;

(iii) USFWS shall agree that the Section 10(a) Permit shall constitute a Special Purpose Permit under 50 CFR section 21.27, for the take of all Covered Species identified at 50 CFR section 10.13, excluding bald eagles which are listed under ESA as of the Effective Date. The Special Purpose Permit shall be valid for a period of three (3) years from its Effective Date, provided the Section 10(a) Permit remains in effect for such period. The Special Purpose Permit shall be renewed, provided the IID remains in compliance with the terms of the Implementation Agreement and the Section 10(a) Permit. Each such renewal shall be valid for a period of three years, provided that the Section 10(a) Permit remains in effect for such period. USFWS will not refer the incidental take of any bald eagle, *Haliaeetus leucocephalus*, for prosecution under the Migratory Bird Treaty Act of 1918, as amended (16 U.S.C. §§ 703-712), or the Bald and Golden Eagle Protection Act of 1940, as amended (16 U.S.C. §§ 668-668d), if such take is in compliance with the Mitigation Requirements;

(iv) In any consultation that may be required or processed pursuant to Section 7 of ESA (16 U.S.C. section 1536(a) with regard to the Covered Activities

analyzed in the ESA intra-Service Section 7 consultation for the HCP, the USFWS shall, to the maximum extent appropriate and permitted by law, rely upon, and utilize, the ESA biological opinion completed with regard to analysis of the HCP and, if appropriate, programmatic Section 7 opinions governing Covered Species;

(v) In the event that a critical habitat determination is made for any Covered Species, no additional Mitigation shall be required of IID that is in addition to the Mitigation Requirements; and.

(vi) Neither USFWS or CDFG shall suspend or revoke any of the Permits without first conducting a formal adjudicatory hearing substantially in accordance with the procedures applicable to hearings conducted pursuant to Sections 554-556 of the federal Administrative Procedure Act to the extent permitted by applicable law.

(7) Be authorized by complete and final environmental documentation pursuant to CEQA and NEPA.

**5.3. Exceptions.** Notwithstanding the provisions of Sections 5.1 and 5.2, above, SDCWA and CVWD shall not be required to provide coverage under the HCP for certain Covered Species if such coverage is deemed infeasible. Coverage shall be deemed infeasible under the following circumstances:

(1) As to Class B Covered Species, if, as of June 1, 2005, despite the best efforts of SDCWA and CVWD (i) the Wildlife Agencies determine (by final agency action) that coverage of a species or the provisions of coverage of a species is prohibited by ESA or CESA, or (ii) SDCWA and CVWD reasonably determine that the Cost of such coverage or the provisions of such coverage, when combined with all other Expected HCP Mitigation Costs (as adjusted to reflect any then-identifiable actual Costs or updated estimates), will exceed the Expected HCP Mitigation Costs;

(2) As to Class A Covered Species, SDCWA and CVWD shall have utilized their continuous best efforts until December 31, 2005, to obtain coverage for such species, but (i) the Wildlife Agencies have determined (by final agency action) as of December 31, 2006, that coverage of a species or the provisions of coverage of a species is prohibited by ESA or CESA, or (ii) SDCWA and CVWD reasonably determine that the Cost of such coverage or the provisions of such coverage, when combined with all other Expected HCP Mitigation Costs (as adjusted to reflect any then-identifiable actual Costs or updated estimates), will exceed the total amount of Expected HCP Mitigation Costs described in Exhibit A. In the event that IID is relieved of all obligations under applicable law and regulation to undertake some portion of the HCP Mitigation Requirements described in Exhibit B, the amount of Expected HCP Mitigation Costs for purposes of this Section 5.3 shall be adjusted to reflect any change in said requirements.

**5.4. Revival of Efforts.** In the event that coverage of a Class A or Class B Covered Species is deemed infeasible as of December 31, 2006, and June 1, 2005, respectively, pursuant to subsection 5.3(i) and (ii) above, and if new information becomes available which indicates

that approval of coverage of that species by the Wildlife Agencies is feasible and within the budget of Expected HCP Mitigation Costs (as adjusted to reflect any then-identifiable actual Costs or updated estimates), SDCWA and CVWD shall revive their best efforts to obtain coverage for that species.

**5.5. Modifications to IID Operations.** In the event that SDCWA and CVWD determine that the cost of satisfying the requirements of subsections 5.1 and 5.2, above, would be reduced if modifications were made to IID's operations, then IID shall make such modifications, provided that, with respect to each such modification:

- (i) IID has approved the modification, which approval shall not be unreasonably withheld;
- (ii) The modification has been approved by USFWS and CDFG and all governmental permits and approvals required to implement the modification have been obtained;
- (iii) The modification is capable of reasonable implementation in compliance with all applicable laws;
- (iv) The cost of such modification, including, but not limited to, the cost of processing any required governmental permits and approvals, the cost of processing any necessary environmental review, and the cost of implementing any mitigation measures required as a result of environmental review or any governmental permit or approval, shall be deemed included in Expected HCP Mitigation Costs;
- (v) The modification does not require a change in operations by any individual farmer(s);
- (vi) The modification does not require any new fallowing, or the continuation of any existing fallowing, or any request for water deliveries, or the use of different crops, different acreage, a different amount of acreage or different farming methods, or the like; and
- (vii) If the modification involves terminating or reducing the operation of a capital project, then the affected owner/operator (IID or a farmer) has reasonably determined that the termination/reduction will not adversely affect its operations or farming, compared to conditions prior to the termination/reduction of operations.

**5.6. Breach of Agreement.** Any failure of the IID, SDCWA or CVWD to satisfy its respective obligations described in this Article 5 shall constitute a material breach of this Agreement. The Parties shall utilize the procedures of Sections 7.1 and 7.3 to resolve any dispute regarding the existence of a material breach under this Section.

**5.7. Compliance with Laws.** IID shall have the right, at any time during the term of the 1998 IID/SDCWA Transfer Agreement and the IID/CVWD Acquisition Agreement, to cease any activity if IID, acting in good faith and after receiving a written notification or warning, determines that continuation of such activity will: (i) violate ESA, CESA, any regulations or

orders promulgated pursuant thereto, the terms and conditions of any ESA or CESA permit, approval or agreement; or (ii) otherwise violate applicable state, federal or local laws, ordinances or regulations, unless IID is immune from such liability pursuant to statute. Prior to making such determination, if circumstances permit, IID shall consult with the other Parties to this Agreement and with the Wildlife Agencies, and other agency with the authority to enforce the statute, regulation, permit, order or approval that is the subject of the proposed IID determination. IID shall not cease the activity if the agency with jurisdiction to enforce the applicable statute, regulation, permit, order or approval, provides IID with adequate assurances, in writing, that the continuation of the activity will not violate the applicable statute, regulation, permit, order or approval. IID must utilize a substitute activity for the ceased activity, if such substitute is environmentally, physically and economically available. Any additional costs for the substitute activity shall be treated as an Unexpected HCP Mitigation Cost.

## **ARTICLE 6 CONTRACT ADMINISTRATION**

### **6.1. Contract Managers.**

(1) **Designation of Contract Managers.** In order to facilitate and implement this Agreement, the contract manager designated by each Party herein shall be responsible for managing and implementing that Party's performance hereunder. Any Party may change its designated contract manager at any time by prior written notice to the other Parties. The initial contract managers are:

For CVWD:                      Steve Robbins

For IID:                         Tina A. Shields

For SDCWA:                  Larry Purcell

(2) **Communications.** All correspondence, notices or other matters related to this Agreement, including payments, shall be directed to the appropriate contract manager designated above.

(3) **Administrative Protocols.** The contract managers will develop and amend from time to time written administrative protocols, subject in each case to the approval of the Parties or their delegates.

## **ARTICLE 7 DISPUTES**

**7.1. Disputes Among or Between the Parties.** The Parties or their delegates shall seek to resolve any dispute concerning the interpretation or implementation of this Agreement through negotiation involving, as and when appropriate, the general manager or chief executive officer of each of the Parties. Any unresolved dispute among or between CVWD, IID and/or SDCWA under Articles 4 and 5 of this Agreement shall be resolved pursuant to Section 7.3. Any other unresolved dispute among or between Parties under this Agreement shall be resolved

by litigation pursuant to Section 7.2. The Parties consent to suit in Federal court to enforce the terms of this Agreement.

**7.2. Action or Proceeding Between the Parties.** Each Party acknowledges that it is a "local agency" within the meaning of § 394(c) of the California Code of Civil Procedure ("CCP"). Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under § 394(a) of the CCP, as a matter of law be subject to being transferred to a "Neutral County," or instead, having a disinterested judge from a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding. Each party therefore:

- (1) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action or proceeding;
- (2) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the California Rules of Court;
- (3) Consents to having any motion under § 394(c) heard with notice as an ex parte matter under Rule 379 of the California Rules of Court; and
- (4) Acknowledges that this Agreement, and in particular this section, may be submitted to the court as part of the moving papers.

Nothing in this section, however, impairs or limits the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

**7.3. Resolution of Arbitration Disputes.** Disputes among or between Parties under Articles 4 and 5 of this Agreement shall be resolved pursuant to the provisions of this Article.

(1) Any dispute which cannot be resolved by consensual agreement shall be resolved through binding arbitration by a panel of arbitrators in an arbitration proceeding conducted in a Neutral County, or such other location as the Parties may agree. Arbitration proceedings may be initiated by any Party sending a demand for arbitration to the other Parties in conformance with the Notice provisions of this Agreement. The Parties shall impanel a group of three (3) arbitrators by each selecting an arbitrator of its choice who shall then select the third (3rd) member of the panel. At least one of the arbitrators must be a person who has actively engaged in the practice of law with expertise deciding disputes and interpreting contracts. Prior to the commencement of proceedings, the appointed arbitrators will take an oath of impartiality. The Parties shall use their reasonable best efforts to have the arbitration proceeding concluded within ninety (90) Business Days.

(2) In rendering their determination, the arbitrators shall determine the rights and obligations of the Parties according to the substantive and procedural laws of California. All discovery shall be governed by the CCP with all applicable time periods for notice and scheduling provided therein being reduced by one-half (½). The arbitrators may establish other discovery limitations or rules. The arbitration process will otherwise be governed by the Commercial Arbitration Rules of the American Arbitration Association. All issues regarding

compliance with discovery requests shall be decided by the arbitrators. A decision by two (2) of three (3) arbitrators will be deemed the arbitration decision. The arbitration decision shall be in writing and shall specify the factual and legal bases for the decision. The decision of such arbitrators shall be final and binding upon the parties, and judgment upon the decision rendered by the arbitration may be entered in the Neutral County superior court.

(3) The costs (including, but not limited to, reasonable fees and expenses of counsel and expert or consultant fees and costs), incurred in an arbitration (including the costs to enforce or preserve the decision) shall be borne by the Party(ies) against whom the decision is rendered. If the decision is not clearly against one Party on one or more issues, each Party shall bear its own costs. The arbitration decision shall identify whether any Party shall be responsible for the costs of the other Party(ies).

## **ARTICLE 8 GENERAL PROVISIONS**

**8.1. Term.** This Agreement shall commence as of the Closing Date and shall terminate on the Termination Date, except that the requirements of Section 4.3(5) shall survive the Termination Date.

**8.2. Amendment.** This Agreement may be amended only by a written instrument signed by the IID, SDCWA and CVWD.

**8.3. Attorneys' Fees.** If any Party commences a legal proceeding for any relief against any other Party to this Agreement arising out of this Agreement, the losing Party shall pay the prevailing Party's legal costs and expenses, including, but not limited to, reasonable attorneys' fees and court costs, except as may otherwise be specified in the decision or order entered in said proceeding.

**8.4. Authority.** Each Party represents and warrants that: (i) it has the requisite power and authority to enter into and perform its obligations under this Agreement; (ii) the individuals executing this Agreement on its behalf are the duly authorized agents of such Party and are authorized to do so under the Party's governing documents; and (iii) the terms of this Agreement are binding upon and enforceable against such Party in accordance with its terms.

**8.5. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but both of which, taken together, shall constitute one and the same Agreement after each party has signed such a counterpart.

8.6. Effective Date. This Agreement shall be effective on the Effective Date of the QSA.

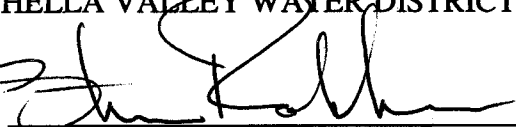
IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Date first written above.

"CVWD"

COACHELLA VALLEY WATER DISTRICT

By:

Title:

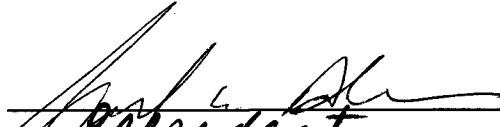
  
GENERAL MANAGER

"IID"

IMPERIAL IRRIGATION DISTRICT

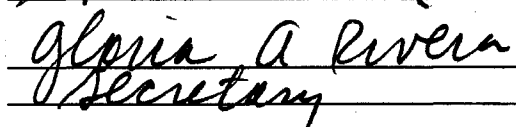
By:

Title:

  
President

By:

Title:

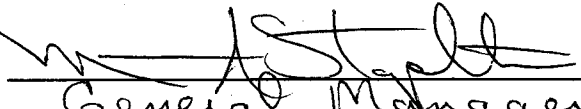
  
Secretary

"SDCWA"

SAN DIEGO COUNTY WATER AUTHORITY

By:

Title:

  
General Manager

## **EXHIBIT A**



## EXHIBIT A

### General Notes

1. Except as noted, all costs are in year 2002 dollars. Future costs have been discounted 3% for present value estimates.
2. Costs for each measure include 3 phases: 1) design/permitting, 2) implementation/construction, and 3) operations & maintenance for the 45 year project period.
3. Costs for each measure are dependent on the specific timing and duration for each phase. Phases were initiated when necessary to provide offsets for expected impacts.
4. Stabilization of the receding Salton Sea shoreline utilizes gravel cover. Costs for alternative measures could vary substantially.
5. No costs are included for any unknown future mitigation measures that might arise from required studies.
6. No specific sites for habitat creation measures have been identified. Costs are planning estimates only and may change depending upon location, local economic conditions, final design, etc.
7. No additional commitment of land, water or other resources is required for adaptive management.
8. Attempts have been made to eliminate duplication of costs among measures.
9. Supporting documentation for each cost estimate is available at CVWD, IID, MWD, and SDCWA.

## Estimated HCP Costs

Condition No.	Mitigation Measure	Present Value in Thousands (\$2002) - Yr 45	Notes and explanation of zero-cost items.
General - 1	Hire full-time biologist to manage HCP and participate on HCP Implementation Team.	3,678	First year O&M \$150,000. Begins in 2003.
General - 2	Convene and facilitate HCP IT.	270	Reimbursement for CDFG and USFWS participation on HCP IT. IID biologist participation addressed in General-1. Begins in 2003.
Salton Sea - 2	Pupfish refugium pond.	340	Pond creation to be implemented at end of 15 Year Minimization Plan.
Salton Sea - 3	Tamarisk scrub habitat surveys and creation.	11,132	Surveys and habitat replacement to begin at end of 15 Year Minimization Plan. Maximum creation assumes 1321 acres.
Tree Habitat - 1	Tree habitat surveys and creation.	751	Surveys and habitat replacement to begin at start of efficiency conservation in 2008. Irrigation water to establish tree habitat (5 years) is included at 5AF/acre/year. Irrigation water assumed at \$16/AF. Maximum creation assumes 34.1 acres.

Tree Habitat - 2	Seepage community surveys and creation.	644	Surveys and habitat replacement to begin at start of efficiency conservation in 2008. Irrigation water to establish tree habitat (5 years) is included at 5AF/acre/year. Irrigation water assumed at \$16/AF. Maximum creation assumes 30 acres.
Tree Habitat - 3	Site surveys for construction scheduling.	7	Surveys to begin at start of efficiency conservation in 2008.
Drain Habitat - 1	Creation of managed marsh habitat.	23,682	73 acres to be implemented in 2003, 117 acres to be implemented at start of efficiency conservation period in 2008, plus the balance of 462 acres to be constructed starting in 2017. The maximum total acreage is 652. Water to sustain marsh is included at 12AF/acre/year with 50% from existing drainage and 50% from purchased irrigation water. Irrigation water assumed at \$16/AF. Redundant with SWRCB order.
Drain Habitat - 2	Avoid dredging river deltas between Feb.15 and Aug. 31.	0	No additional costs assumed for scheduling of maintenance dredging.
Drain Habitat - 3	Site surveys to avoid construction disturbance of covered species.	0	No additional costs assumed for crews to survey areas for wildlife prior to beginning work.
Desert Habitat - 1	Worker education program - training and materials.	37	Begins in 2003.

Desert Habitat - 2	Precautions for workers during O&M of canals and drains.	38	Begins in 2003.
Desert Habitat - 3	Habitat surveys, construction monitoring, and vegetation restoration.	436	Begins in 2003.
Desert Habitat - 4	Habitat surveys and update worker manual.	476	Habitat surveys and worker training manual to begin in 2003.
Desert Habitat - 5	Desert habitat acquisition and management.	118	Habitat acquisition and management to begin at start of efficiency conservation in 2008. Maximum acquisition assumes 100 acres.
Owl - 1	Worker education program for canal and drain maintenance.	60	Begins in 2003. Some possible redundancy with Desert Habitat-1.
Owl - 2	Visual inspection of banks. Mark burrows. Develop standard operating procedures.	920	Operating procedures develop in 2006. Habitat protection measures begin at start of efficiency conservation period in 2008.
Owl - 3	Precautions for grading of spoils near canals and ditches.	0	No additional cost assumed for taking precautions during grading of spoils.
Owl -4	Avoid disturbing burrows. Fill burrows to maintain channel.	2,014	Habitat measures to begin at start of efficiency conservation period in 2008.
Owl - 5	Manage location and schedule of facility construction.	60	Habitat measures to begin at start of efficiency conservation period in 2008.
Owl - 6	Maintain current techniques for canal and drain maintenance.	0	No additional cost assumed to maintain current techniques.
Owl - 7	Owl abundance, distribution, and demographic surveys.	532	Begins in 2003.

Owl - 8	Avoid disturbing burrows. Replace impacted burrows at 2:1 ratio.	344	Habitat replacement to begin at start of efficiency conservation period in 2008.
Owl - 9	Farmer and public education program.	43	Begins in 2003.
Pupfish - 1	Maintain current levels of pupfish habitat.	862	Habitat maintenance to begin at start of efficiency conservation period in 2008. Redundant with SWRCB order.
Pupfish - 2	Minimize selenium impacts on pupfish.	4,383	Drain channel management to begin at start of efficiency conservation in 2008. Redundant with SWRCB order.
Pupfish - 3	Modifications to increase amount of pupfish drain habitat.	3,658	Habitat creation to begin at start of efficiency conservation period in 2008. Redundant with SWRCB order.
Pupfish - 4	Protocol for surveys to monitor pupfish presence.	863	Protocol developed by start of efficiency conservation period in 2008.
Pupfish - 5	Evaluate effect of drain maintenance on pupfish.	45	Study begins at start of efficiency conservation period in 2008.
Pupfish - 6	Gradual dewatering and salvage of stranded pupfish.	3,469	Fish salvage begins at start of efficiency conservation period in 2008. Redundant with SWRCB order.
Razorback Suckers - 1	Salvage fish and return to Colorado River.	40	Fish salvage begins at start of efficiency conservation period in 2008. Redundant with SWRCB order.

Agriculture - 1	Install markers on tailwater pump power lines.	40	Marker installation begins at start of efficiency conservation period in 2008.
Agriculture - 2	Plant and maintain cover crops or ridge till lands to conserve water.	360	Begins in 2003.
Other Species - 1	Implement species surveys and submit study program.	738	Begins in 2003.
Other Species - 2	Implement impact avoidance and minimization measures.	817	Begins in 2004.
Monitoring and Adaptive Management	Monitoring and adaptive management described in Chapter 4 of draft HCP.	0	Costs included in individual measures listed above are assumed to cover adaptive management.
<b>TOTAL HCP</b>		<b>60,857</b>	

# Estimated 2002 Biological Opinion Portion of HCP Costs

Condition No	Mitigation Measure	Present Value in Thousands (\$2002) - Yr 45	Notes and explanation of zero-cost items.
15 Year Minimization Plan	Acquire and discharge water to the Salton Sea.	50,000	Water to avoid material change in Salton Sea elevation and salinity for 15 years. Redundant with SWRCB order.
Pupfish CM 2	Pupfish selenium toxicity study. Pupfish and selenium monitoring. Develop mitigation. Study of sources and management of selenium.	939	Begins in 2003. Includes selenium studies required by SWRCB.
Willow Flycatcher CM 1	Willow flycatcher breeding habitat evaluation.	228	Habitat surveys to begin at start of efficiency conservation period in 2008.
Willow Flycatcher CM 2	Habitat monitoring and replacement.	733	Habitat monitoring and replacement to begin at end of 15 Year Minimization Plan. Possible partial redundancy with Tree Habitat 1 & 2.
Willow Flycatcher CM 3	Long-term monitoring plan.	24	Management plan developed at end of 15 Year Minimization Plan. Possible partial redundancy with Tree Habitat 1 & 2.
Willow Flycatcher CM 4	Willow flycatcher take evaluation.	0	Addressed by Willow Flycatcher CM 1.
Brown Pelican CM 2	Roost site creation and monitoring.	1,175	No Year 1 capital cost; habitat creation to be implemented in 2009.
<b>TOTAL 2002 BO</b>		<b>53,099</b>	

## Estimated CEQA Costs

Condition No.	Mitigation Measure	Present Value In Thousands (\$2002) - Yr 45	Notes and explanation of zero-cost items.
<b>Water Quality</b>			
WQ-2	Selenium will exceed ambient water quality criteria.	0	Mitigation determined infeasible. Significant and unavoidable impact.
WQ-4	Selenium will exceed ambient water quality criteria.	0	Mitigation determined infeasible. Significant and unavoidable impact.
WQ-5	Selenium will exceed ambient water quality criteria.	0	Mitigation determined infeasible. Significant and unavoidable impact.
WQ-7	Selenium will exceed ambient water quality criteria.	0	Mitigation determined infeasible. Significant and unavoidable impact.
QSA-WR-1	Selenium will exceed ambient water quality criteria.	0	Mitigation determined infeasible. Significant and unavoidable impact.
	<b>Water Quality Subtotal</b>	<b>0</b>	



<b>Agricultural Resources</b>			
AR-1	Prohibit use of non-rotational fallowing. Otherwise, no mitigation measures.	0	No costs for prohibiting use of non-rotational fallowing.
QSA-AR-1	Non-fallowing conservation measures or short term fallowing.	0	Addressed by measure AR-1.
SWRCB-HCP-AR-2	Conversion of up to 700 acres of prime farmland to create habitat.	0	Mitigation determined infeasible. Significant and unavoidable impact.
SWRCB-AR-1	Reclassify up to 50,000 acres of prime farmland or farmland of statewide importance.	0	Addressed by AR-1.
	<b>Agricultural Resources Subtotal</b>	<b>0</b>	
<b>Recreation</b>			
R-7	Temporary and permanent relocation of boat launch facilities.	1,600	Salton Sea water level adjustment measures assumed to begin at end of 15 Year Minimization Plan. 8 boat launch facilities relocated every 3 years through 2040 as necessary.
R-10	Temporary and permanent relocation of camping facilities.	2,889	Salton Sea water level adjustment measures assumed to begin at end of 15 Year Minimization Plan. 88 campsites relocated every 6 years through 2040 as necessary.
QSA-RR-3	Relocation of Salton Sea recreation facilities or use of Conserved Water.	0	Addressed by measures R-7 and R-10.
SWRCB-R-7	Temporary and permanent relocation of boat launching facilities.	0	Addressed by R-7.
SWRCB-R-8	Reduced sportfishing opportunities.	0	Addressed by 15 Year Minimization Plan.

SWRCB-R-9	Implement SSHCS to avoid salinity impacts.	0	Addressed by 15 Year Minimization Plan and Salton Sea 2.
SWRCB-R-10	Temporary and permanent relocation of campgrounds and ancillary facilities.	0	Addressed by R-10.
	<b>Recreation Subtotal</b>	<b>4,489</b>	

Air Quality			
AQ-2	Minimize PM10 emissions during construction and operation of efficiency conservation measures.	1,650	Begins in 2008. Redundant with SWRCB order.
AQ-3	Minimize PM10 emissions during fallowing through conservation measures, soil stabilization, etc.	14,895	Cost includes first year fallowing of 2,500 acres. Begins in 2003.
AQ-4	General conformity determination.	12	Begins in 2008.
AQ-7	Access restriction, research, monitoring. Obtain emission offsets and [or] direct emission reductions at the Sea.	36,774	Monitoring and research begins in 2008. Salton Sea water level adjustment measures assumed to begin three years after end of 15 Year Minimization Plan, and be implemented continuously for 20 years.
EJ-2	Access restriction, research, monitoring, and ERCs.	0	Addressed by AQ-7.
EJ-3	Access restriction, research, monitoring, and ERCs.	0	Addressed by AQ-7.
QSA-AQ-1	Construction SOPs and agricultural BMPs for dust control.	0	SOPs addressed in unit construction costs and dust control measures addressed under AQ-2 and AQ-3.
QSA-AQ-2	Construction BMPs for NOx, fugitive dust.	0	BMPs included in unit construction costs and dust control measures addressed under AQ-2 and AQ-3.
QSA-AQ-3	Fugitive dust from decline in Salton Sea levels.	0	Addressed by AQ-7.
SWRCB-AQ-3	Dust control measures.	0	Addressed by AQ-3.

SWRCB-AQ-7	Access restriction, research, monitoring. Obtain emission offsets and direct emission reductions at the Sea.	0	Addressed by AQ-7.
	<b>Air Quality Subtotal</b>	<b>53,331</b>	
<b>Cultural Resources</b>			
CR-1	Cultural resource surveys prior to construction of water conservation measures.	31	Surveys to begin in 2003. Assumes preconstruction surveys for 100 sites over a 15 year period with 5 sites requiring testing and recovery.
CR-2	Protect cultural resources during construction and operation.	0	Addressed by CR-1.
CR-5	Protect cultural resources during reduced flow to Salton Sea. Conduct archaeological surveys.	87	Salton Sea water level adjustment measures assumed to begin three years after end of 15 Year Minimization Plan.
ITA-1	Control of public access on exposed tribal lands.	0	Addressed by CR-5.
QSA-CR-3	Cutural Resource Surveys.	0	Addressed by CR-5.
	<b>Cultural Resources Subtotal</b>	<b>118</b>	

Noise			
N-1	Permanent or temporary sound barriers for construction noise sources.	13	Barriers constructed at start of efficiency conservation period in 2008.
N-2	Permanent sound barriers for pumps in noise-sensitive areas.	15	Barriers constructed at start of efficiency conservation period in 2008.
N-3	Permanent sound barriers for interceptor pumps in noise-sensitive areas.	3	Barriers constructed at start of efficiency conservation period in 2008.
N-4	Permanent or temporary sound barriers for noisy equipment.	0	Addressed by N-1 through N-3.
QSA-N-1	Construction BMPs, sound barriers.	0	Addressed by N-1.
	<b>Noise Subtotal</b>	<b>31</b>	

<b>Geologic Resources</b>			
QSA-GSM-1	Minimize soil erosion through watering, paving, limiting vehicle speeds, crusting agents, and construction monitoring.	1,999	Includes storm water planning and related BMPs. PM10 dust control elements addressed by AQ-2.
QSA-GSM-3	Construction BMPs for soil erosion. Monitor water levels for risk of liquefaction.	0	BMPs included in unit construction costs and dust control measures addressed under AQ-2, AQ-3 and QSA-GSM-1.
<b>Geologic Resources Subtotal</b>		<b>1,999</b>	
<b>Hazards</b>			
QSA-HHM-1	Assess impacts on local emergency response plans. Complete Phase I studies for potential contamination.	268	Assessment to be implemented at start of efficiency conservation period in 2008. Assumes 10 sites require assessment and 5 sites require a Phase 1 audit.
<b>Hazards Subtotal</b>		<b>268</b>	
<b>Aesthetics</b>			
A-1	Relocate recreation facilities and develop interpretive facilities and materials.	0	Costs addressed in measures R-7 and R-10.
SWRCB-A-1	Aesthetic impacts from drop in Salton Sea level.	0	Addressed by 15 Year Minimization Plan and A-1.
<b>Aesthetics Subtotal</b>		<b>0</b>	
<b>TOTAL CEQA</b>		<b>60,236</b>	

## Estimated CESA 2081 Costs

Condition No.	Mitigation Measure	Present Value in Thousands (\$2003) - Yr 45	Notes and explanation of zero-cost items.
Backwater/Marsh	Create and maintain 16.25 acres of marsh and backwater habitat	1,268	Begins 2003, to be completed within 5 years
<b>TOTAL CESA 2081</b>		<b>1,268</b>	

Note: CESA LCR 2081 cost estimate is for mitigation acreage and actions that are in addition to those required in the 2001 Lower Colorado River BO, and assumes that BO measures will be acceptable as satisfaction of comparable 2081 requirements.

## Estimated 2001 Lower Colorado River BO Costs

Condition No.	Mitigation Measure	Present Value in Thousands (\$2001) - Yr 45	Notes and explanation of zero-cost items.
Conservation Measure 1	Stock 10,000 sub-adult razorback suckers into the Colorado River	*	Included in funding agreement
Conservation Measure 2	Create, restore, and maintain 38.25 acres of marsh and backwater habitat	*	Included in funding agreement
Conservation Measure 3	Fund the capture of wild-born or F1 generation bonytails	*	Included in funding agreement
Conservation Measure 4	Restore and maintain 186 acres of southwestern willow flycatcher habitat along the LCR between Parker and Imperial Dams	*	Included in funding agreement
<b>TOTAL 2001 BO</b>		<b>3,000</b>	

\* Mitigation Measures shall be accomplished through an agreement with the U.S. Bureau of Reclamation, under which Reclamation shall undertake all required measures in the 2001 LCR BO attributable to the transfer of 200,000 AFY in return for payment of \$3 million in 2001 dollars.



**EXHIBIT B**

## **EXHIBIT B**

### **HCP Mitigation Requirements**

The HCP Mitigation Requirements include the following measures and requirements, all as described in greater detail in the June 2002 Draft HCP and the December 18, 2002 Biological Opinion issued by the U.S. Fish and Wildlife Service, as applicable:

#### June 2002 Draft HCP:

General – 1

General – 2

Salton Sea – 2

Salton Sea – 3, except that the survey of the areas designated as shoreline strand and adjacent wetland shall commence in 2018.

Tree Habitat – 1; Tree Habitat – 2; Tree Habitat – 3

Drain Habitat – 1; Drain Habitat – 2; Drain Habitat – 3

Desert Habitat – 1; Desert Habitat – 2; Desert Habitat – 3; Desert Habitat – 4; Desert Habitat – 5

Owl – 1; Owl – 2; Owl – 3; Owl – 4; Owl – 5; Owl – 6; Owl – 7; Owl-8; Owl-9

Pupfish -1; Pupfish -2; Pupfish – 3; Pupfish – 4; Pupfish – 5; Pupfish -6;

Razorback Suckers – 1

Agriculture – 1; Agriculture – 2

Other Species – 1

Other Species – 2

The monitoring and adaptive management requirements described in Chapter 4 of the Draft HCP.

#### 2002 Biological Opinion

The 15-Year Minimization Plan described on page 17-18 of the December 18, 2002 Biological Opinion issued by the U.S. Fish and Wildlife Service

Pupfish Conservation Measure 2

Willow Flycatcher Conservation Measures 1, 2, 3, and 4

Brown Pelican Conservation Measure 2

## **EXHIBIT D**

Exhibit D

Use of Party Funds

<i>Expenditure</i>	<i>Millions (present value as of 2003)</i>
Environmental Mitigation Requirements	
Salinity Control of Salton Sea	\$ 50.0
Other Environmental Mitigation Requirements	<u>\$ 83.0</u>
Total Environmental Mitigation Requirements	\$133.0

**EXHIBIT E**

Exhibit E

Party Commitments to Fund Environmental Mitigation Costs

<i>Party</i>	<i>Amount (present value as of 2003)</i>
Imperial Irrigation District	\$44,061,350
Coachella Valley Water District	\$36,717,791
San Diego County Water Authority	\$52,220,859
TOTAL	\$133,000,000

**AGREEMENT TO RESOLVE  
 SALTON SEA FLOODING DAMAGE ISSUES  
 BY AND BETWEEN  
 IMPERIAL IRRIGATION DISTRICT  
 AND  
 COACHELLA VALLEY WATER DISTRICT**

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**AGREEMENT TO RESOLVE  
SALTON SEA FLOODING DAMAGE ISSUES**

THIS AGREEMENT to Resolve Salton Sea Flooding Damage Issues ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2003, by and between the IMPERIAL IRRIGATION DISTRICT, an irrigation district formed pursuant to the California Irrigation District Act, California Water code §§ 21,000, et seq. ("IID"), and the COACHELLA VALLEY WATER DISTRICT, a county water district formed pursuant to the California County Water District Act, California Water Code §§ 31,000, et seq. ("CVWD"). IID and CVWD are sometimes referred to individually as "Party" and collectively as "the Parties."

**RECITALS**

A. IID and CVWD each import Colorado River water to serve lands within their respective service areas, and each operates a system of drains which provide an irrigation drainage service to said lands. This irrigation drainage and, at times, storm runoff is collected by these drainage systems and discharged into the Salton Sea, a sump which is the lowest point in the 800 square mile watershed. These waters commingle with irrigation drainage waters, municipal wastewater and storm runoff from the Republic of Mexico and natural inflow (precipitation, runoff and flood waters) to sustain the existence of the Salton Sea. The Salton

Sea serves as an essential drainage reservoir for the irrigated areas in the Imperial, Coachella and Mexicali Valleys. The Salton Sea has no outlet, and its surface elevation fluctuates, depending upon the differences between the amounts of inflow to the Sea and evaporation from it.

B. A study by the United States Geologic Survey in the 1920's concluded that the surface elevation of the Salton Sea could not be sustained above the -220 foot contour because at that level, evaporation would likely offset inflows. As a result of that study, federal lands in, around and under the Sea below the -220 elevation were set aside as an agricultural drainage repository.

C. There are about 260,000 acres of land in the Salton Sea Basin below elevation -220. The United States owns approximately 110,000 acres ("Federal Lands") and approximately 11,700 acres, as trustee for the Torres-Martinez Band of Mission Indians ("Indian Lands"), of these lands underlying or adjacent to the Salton Sea and below the -220' contour. IID and CVWD have each recently (April, 2002) received and recorded permanent flowage easements from the United States providing rights to use these Federal and Indian Lands.

D. IID acquired, by purchase, in the early 1920's, approximately 109,500 acres of these lands below the -220' contour. The remaining lands below the -220' contour are in private ownership (except for those recently acquired as

hereafter set forth).

E. In addition to the 109,500 acres that IID already owned, the Parties have each acquired fee title to other lands below the -220' elevation, and desire to continue to acquire additional such lands as they become available in order to preserve and protect the essential drainage reservoir function of the Salton Sea and reduce the potential for new property damage claims and further desire that each party provide flowage easements over the property it owns below the -220' elevation to the other party.

F. IID contends that it is entitled to compensation from CVWD for the storage of drainage waters from CVWD on IID's land. CVWD, on the other hand, contends that it has a legal right to deposit and store its drainage waters in the Salton Sea without the payment of compensation therefor. The Parties desire to resolve this dispute by compromise.

G. From time to time, third-party owners and occupiers of lands under, adjacent to or near the Salton Sea have made claims and/or commenced legal actions against one or both Parties seeking damages and compensation for the taking or damaging of real and personal property and for personal injuries, allegedly caused by the activities of one or both of the Parties in importing Colorado River water, distributing the same for irrigation, and collecting and discharging the drainage therefrom into the Salton Sea, allegedly causing the surface level to rise

and flood the third-parties' properties ("Third-Party Claims").

H. Some of the Third-Party Claims have been settled by one or both Parties, and some remain outstanding. It is the desire of the Parties to agree to an apportionment of third-party damages between them, settle up or adjust to that apportionment by reimbursement, including interest where appropriate, and to make provision for apportionment of damages in the pending cases and in future cases, if any.

I. In recent years, IID has constructed, operated and maintained a series of dikes and other works on the margins of the Salton Sea to protect property from flood damage or further flood damage, as the case may be, and wishes to be reimbursed a share of its past and future costs and expenses based on an agreed allocation, including interest on past expenditures.

J. It is the purpose of this agreement to compromise and settle by a fair and equitable apportionment between the Parties (1) all past payments made to third parties in settlement of claims or litigation for damages allegedly caused by the Salton Sea; (2) IID's claim for damage to or rental of its own 109,500 acres; and (3) IID's costs in constructing and maintaining dikes and other protective works. In addition, IID and CVWD shall each grant to the other flowage easements over lands presently owned and those acquired hereafter that are below the -220' elevation in order to provide a drainage reservoir for their commingled waters. It is also a purpose of this Agreement to establish

policies, whereby the Parties will cooperate and share, in order to avoid future Third-Party Claims in connection with maintaining the Salton Sea as a drainage reservoir for their respective water and drainage systems.

#### **AGREEMENT**

WHEREFORE, in consideration of the mutual covenants set forth below, IID and CVWD agree as follows:

**1. No Admission of Liability**

This Agreement is entered into as a settlement and compromise of certain disputes between CVWD and IID. Nothing in this Agreement is intended to be, nor shall it be construed to be, an admission by either Party of (a) any liability, wrongdoing, negligence, malfeasance, or misfeasance by any Party or by any other person; or (b) the validity of any claim or defense made by any Party to this Agreement or by any other person. As used in this Agreement, "Person" includes corporations, associations, partnerships, governmental entities of any kind, Indian Tribes, states, the United States of America, and foreign nations. This Agreement shall be fully protected by the provisions of Federal Rules of Evidence Rule 408 and California Evidence Code section 1152. It shall not be admissible in any action, proceeding or arbitration for any purpose; provided, that any Party to this Agreement may offer it

into evidence, when relevant, for the sole and limited purpose of enforcing its provisions against the other Party.

**2. Flood Damage Claims**

**a. Release as to Closed Cases**

CVWD and IID, either separately or jointly, have negotiated and satisfied in full settlements for Third-Party flooding claims in the actions listed in Exhibit "A" attached hereto and incorporated herein by reference ("Closed Cases"). As to the Closed Cases only, CVWD and IID do hereby fully release and discharge each other, their respective successors, insurers, officers, directors, agents, and representatives from any and all claims for indemnity or contribution arising from or in connection with the defense and settlement of the Closed Cases.

**b. Contribution by CVWD to Other Settlements by IID**

In addition to the cases listed on Exhibit "A," IID has settled Third-Party flooding claims and cases listed on Exhibit "B." Also, listed on Exhibit "B" are purchases of lands and settlements made of claims where no lawsuit has been filed. It is agreed that CVWD shall pay to IID the sum of \$9,451,477.38 plus interest at Seven Percent (7%) from June 30, 2002, to the date of closing (as defined below) as CVWD's contribution and reimbursement to IID for (1) monies IID has paid in connection with damage claims and property acquisitions listed on Exhibit "B" plus interest on such payments at Seven Percent (7%) to

June 30, 2002, and (2) IID's claim for damage to or rental value of the 109,500 acres it owns below the -220' elevation. The agreed sum takes into account that IID has obtained fee title to, or flooding easements over, certain lands below the -220' elevation over which it will grant flowage easements to CVWD as described below in Paragraph 3; the agreed sum also reflects a credit for monies spent by CVWD for the acquisition of lands below the -220' elevation and interest thereon.

In return for such payment, IID shall release and discharge CVWD, its successors, insurers, officers, directors, agents, and representatives from any claim for further contribution or reimbursement in connection with the cases and claims listed on Exhibit "B," and shall file a dismissal of each pending case where it has the legal right to do so.

**c. Future Third-Party Claims**

With respect to any flood damage claims that are made against IID and/or CVWD after the effective date of this Agreement, IID and CVWD agree that responsibility for satisfying any settlement or judgment shall be apportioned 87.5% to IID and 12.5% to CVWD. If either Party, by reason of liability insurance contracts, receives payments from its insurers, such amounts shall not be taken into consideration in determining the amounts owed by (apportioned to) each Party for payment of any settlement or judgment, but the Party receiving such payment shall hold the other Party harmless from any claims for indemnity by the



insurance company making such payment.

**d. Revisit of Apportionment**

Either Party may give the other a written notice of desire to revisit this apportionment formula regarding claims made after the effective date of this Agreement by serving a notice on the General Manager of the other Party.

The notice shall set forth any desired change and the specific reasons for the request. The Parties shall meet at convenient times and make a good faith attempt to reach agreement regarding a change in the apportionment formula.

If the Parties fail to agree within twelve (12) months after the notice is served, the noticing party may cause the matter to be submitted to resolution pursuant to Paragraph 5 below. In reaching a conclusion, the arbitrators shall assume that the sharing percentages established by this Agreement were fair and equitable at the time the Agreement was executed. Any modifications should be the result of changed circumstances relevant to the comparative contributions of inflow to the Salton Sea from lands and works within the boundaries of the respective Parties, provided, however, that there shall be excluded from contributions by IID the flows from the Republic of Mexico that are discharged into the Salton Sea.

**e. Consent to Settlements Required**

No Party shall settle any Future Third-Party Salton Sea flooding Claim without the prior written consent of

the other Party. The Parties shall cooperate in efforts to amicably resolve each such future claim and shall not unreasonably withhold consent to a settlement proposed by the other Party.

**f. Waiver of CCP Section 1542**

With respect to the releases described in Subparagraphs 2a and b above and Subparagraph 4d below, each Party waives the provisions of Section 1542 of the California Civil Code which states:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

**3. Exchange of Flowage Easements**

In consideration for the cash payments made by CVWD to IID pursuant to Paragraph 2(b) above ("Third-Party Claims") and Paragraph 4(c) below ("Dikes"), and for the mutual exchange of flowage easements in properties described below, the Parties agree that each shall provide to the other flowage easements over lands that each presently owns and over lands that it may acquire in the future that are below the -220' elevation in the bed of the Salton Sea. The form of the flowage easement shall be in accord with Exhibit "C" hereto.

Neither party shall, by acquisition of a permanent flowage easement, acquire any right to share or participate in any rental, royalty or other payments received by the other party (i.e., the fee owner) from lessees of such property. For example, IID has leased some land below the minus 220-foot contour to lessees for geothermal development purposes. Also, neither party shall incur any liability to third persons solely by reason of receiving a permanent flowage easement from the other party. Each party's potential liability to third persons shall depend upon actions by each party which might affect third persons and applicable legal principles.

**a. IID Fee Title**

Exhibit "D" attached hereto and by this reference incorporated herein contains a legal description of all lands to which IID has a fee title ownership that lie below the -220' contour and underlie or are adjacent to the Salton Sea (collectively "IID Land"). The IID Land is depicted on the map attached hereto as Exhibit "E" and by this reference incorporated herein.

**b. CVWD Fee Title**

Exhibit "F" attached hereto and by this reference incorporated herein contains a legal description of all lands to which CVWD has a fee title ownership that lie below the -220' contour and underlie or are adjacent to the Salton Sea (collectively "CVWD Land"). The CVWD Land is depicted on the map

attached hereto as Exhibit "G" and by this reference incorporated herein.

**c. IID Flooding Easements**

Exhibit "H" attached hereto and by this reference incorporated herein contains a description of the lands to which IID has an interest for flooding and drainage purposes that lie below the -220' contour and underlie or are adjacent to the Salton Sea (collectively "IID Easements") and over which a flowage easement is to be granted to CVWD.

**d. CVWD Flooding Easements**

Exhibit "I" contains a description of the lands to which CVWD has an interest for flooding and drainage purposes that lie below the -220' contour and underlie or are adjacent to the Salton Sea (collectively "CVWD Easements") and over which a flowage easement is to be granted to IID.

**e. Closing**

The Closing shall take place one (1) business day after the delivery of all of the grants of easement to Chicago Title Company, El Centro, California, for recordation. The Parties shall deliver the grants of easement to said Title Company as promptly as practical after this Agreement has been duly approved and executed by the Parties. In addition, CVWD shall pay to IID in cash (or acceptable equivalent) the sum of \$9,728,442.13 plus interest of Seven Percent (7%) from June 30,

2002, until the Closing Date, as provided in Paragraph 2b (\$9,451,477.36) and Paragraph 4c (\$276,964.75) hereof. As used herein, the term "Closing" means the date and time that said payment is made and the grants of easement are recorded in the Official Records of Riverside and Imperial Counties, California.

**f. Future Acquisitions**

The Parties are engaged in ad hoc-type ongoing negotiations with third parties to acquire fee or flooding easement rights to property, real and personal, and other legal rights which is situated below the -220' contour.

If either party proposes to acquire a fee interest or flooding easement right from a third party owning property below the -220' contour, such Party shall give written notice to the other Party pursuant to the notice provisions of Paragraph 11 of this Agreement. The Notice shall include a description of the fee interest or flooding easement, the location of the property or flooding right and the acquisition and transaction costs. The recipient Party shall have a thirty (30) day period after receipt of such notice to elect to participate or not participate in the acquisition of the property or flooding right. If the recipient Party fails to notify the sending Party of its election to participate or not participate within such thirty (30) day period, the recipient Party shall be deemed to have elected to participate to the extent of receiving a flowage easement only. If the recipient Party receives either a fee interest or a joint

flowage easement, such Party shall pay its applicable percentage (Eighty Seven and One-Half Percent (87.5%) in the case of IID and Twelve and One-Half Percent (12.5%) in the case of CVWD) of the acquisition and transaction costs set forth in the notice within thirty (30) days of the election to participate or forty five (45) days if that Party is deemed to have elected to participate. Delinquent payments shall bear interest at the prevailing legal rate.

Each Party agrees to cooperate with the other in connection with acquisition plans to the end that each is well informed about the other's intentions as much as is practical.

#### **4. Dikes and Protective Structures**

To protect property from flooding damage from the Salton Sea, IID has built or acquired structures and taken measures to divert or contain the Salton Sea. These structures and measures include dikes, diversion ditches, sandbagging, and other remedial measures. IID has incurred costs and expenses in undertaking these actions, and CVWD is willing to reimburse IID 12.5% of said costs and expenses plus 7% interest as additional consideration for this agreement.

##### **a. Map of Dikes and Structures**

Exhibit "J" is a map showing the locations of the dikes, diversion ditches, and other structures ("IID Facilities").

**b. Current Condition**

IID represents and warrants to CVWD that the IID Facilities are in good condition and not in current need of repair or replacement.

**c. Payment**

CVWD shall pay to IID at the Closing, the sum of \$276,964.75 plus interest at 7% from June 30, 2002, to the date of the Closing as 12.5% reimbursement, CVWD's agreed share, of the past cost of construction, operation, and maintenance of the IID Facilities.

**d. Release**

In consideration for said payment, IID hereby releases CVWD, its successors, officers, directors, agents, and representatives from any further claim of liability by IID regarding IID's costs and expenses in connection with the IID Facilities as of the date of Closing.

**e. Future Construction, Operation, Maintenance and Repair or Replacement**

**(1) Responsibility**

After the Closing, IID shall maintain the IID Facilities in good condition and repair and shall take such other measures as necessary to avoid damage to private property, including but not limited to, replacement of existing facilities and the construction of improvements on the IID Facilities ("Future Improvements"). IID shall make reasonably necessary

repairs, structural and non-structural, as well as extraordinary, foreseen and unforeseen repairs to the IID Facilities and Future Improvements.

**(2) Records**

IID shall maintain good and proper records to record the annual costs incurred to maintain, repair, construct and reconstruct the IID Facilities and Future Improvements, as well as the costs to avoid damage to private property. Said records shall be similar in nature and scope as those used by IID to record the annual operation and maintenance costs in connection with the common works of the All American Canal. (See, Articles 8 and 13 of CVWD's October 15, 1934 Contract with the United States.)

**(3) Consent to Future Work**

Notwithstanding anything to the contrary contained herein, IID shall not construct a Future Improvement or reconstruct or replace an IID Facility without the prior written consent of CVWD, which consent shall not be unreasonably withheld. Any request by IID to construct a Future Improvement or reconstruct or replace an IID Facility, shall include the approximate cost thereof and the reasons for the construction, reconstruction or replacement thereof, including the nexus to avoiding damage to privately owned lands from floodwaters.



**(4) Invoice and Payment**

On or before March 1 of each year, IID shall submit a statement ("Annual Statement") to CVWD. CVWD shall pay Twelve and One-Half Percent (12.5%) thereof within thirty (30) days after receipt unless there is a dispute. The Annual Statement shall include the following:

- (a) A reasonably detailed description of the work completed during the previous year;
- (b) A reasonably detailed description of the costs incurred for the work during the previous year; and
- (c) In the event any work or costs are not directly related to the subject of this Agreement, IID shall only include in the annual statement the portion of the costs directly related to the IID Facilities.

**(5) Disputes**

In the event of a dispute, CVWD shall remit to IID, within thirty (30) days after receipt of an Annual Statement, both the amount of CVWD's undisputed obligation and the amount disputed, explaining reasons for and the item(s) in dispute. Payment of the unpaid disputed amount shall be due on the tenth (10th) business day following final resolution of the dispute which shall be resolved pursuant to Paragraph 5.

Delinquent payments (which shall not include disputed amounts) shall bear interest at the applicable legal rate from the date due until paid in full.

**f. Inspection of Facilities**

CVWD, through its officers, agents and employees shall have the right at any reasonable time to inspect the IID Facilities, Future Improvements, remedial measures and the work performed by or on behalf of IID. IID acknowledges that CVWD is under no duty to supervise or inspect any work to be done by or on behalf of IID and that any such inspection is for the sole purpose of preserving CVWD's rights hereunder.

**g. Interference**

In its management capacity, IID shall not construct or permit construction of any improvements, or of any grading or change in topographic conditions (except minor changes in normal repair and maintenance activities) without the prior written consent of CVWD, which consent shall not be unreasonably withheld. In addition, any construction and/or grading shall not interfere with or be detrimental to the use of the land for a drainage reservoir either for receiving Sea water or protecting its shoreline.

**h. Liability to Third Persons**

If, in the future, third persons are damaged by reason of failure of the dikes and protective structures to

divert or contain the Salton Sea, each party's responsibility shall be shared according to Paragraph 2(c). Provided, however, CVWD does not hereby waive any right or claim it might then have that IID failed to act reasonably in fulfilling its responsibilities pursuant to Paragraph 4(e)(1).

**5. Resolution of Disputes**

a. Within thirty (30) business days of the Parties identifying the existence of a dispute ("Dispute"), the General Managers of CVWD and IID (or their designees) shall meet and attempt to resolve the Dispute to their mutual satisfaction. Any such resolution shall be in writing and be binding on the Parties. Such disputes include, but are not limited to, issues about whether either Party is acting unreasonably under Paragraphs 2(e), 3(f), 4(e)(3), and 4(g).

Under Paragraph 3(f), either party may separately initiate and finalize acquisitions of property below the minus 220-foot contour. The other party's right to refuse to participate under said Paragraph 3(f) shall be limited to a disagreement about the cost of the property. Such dispute shall be resolved according to Paragraph 5, pages 17-19 whereby the arbitrators shall determine the reasonableness of the cost. The amount, as determined by the arbitrators, shall be used to determine the applicable shares for each party (87.5% for IID, and 12.5% for CVWD). If the acquisition is initiated by IID, CVWD shall receive a permanent flowage easement upon payment of

its 12.5% share. If the acquisition is initiated by CVWD, IID shall receive a permanent flowage easement upon payment of its 87.5% share.

Under Paragraph 4(e)(3), IID may initiate and complete future work, if considered appropriate. CVWD's right to object shall be limited to questions about the reasonableness of the costs which shall be resolved as set forth in Paragraph 4(e)(5).

b. Any Dispute arising out of this Agreement which cannot be resolved by agreement shall be resolved through binding arbitration by a panel of arbitrators in an arbitration proceeding conducted in a Neutral County, or such other location as the Parties may agree. Arbitration proceedings may be initiated by either Party sending a demand for arbitration to the other Party in conformance with Paragraph 11 of this Agreement (Notices). The Parties shall impanel a group of three arbitrators by each selecting an arbitrator of their choice who shall then select the third member of the panel. If the two arbitrators appointed by the Parties cannot agree on a third arbitrator within ten (10) business days from the initiation of the arbitration proceeding, the third neutral arbitrator shall be selected by the presiding judge of the Neutral County Superior Court. The third arbitrator must be a person who has actively engaged in the practice of law with expertise deciding disputes and interpreting contracts, unless the Parties agree otherwise.

Prior to the commencement of proceedings, the appointed arbitrators will take an oath of impartiality. The Parties shall use their reasonably best efforts to have the arbitration proceedings concluded within ninety (90) business days of the selection of the third panel member.

In rendering the award, the arbitrators shall determine the rights and obligations of the Parties according to the substantive and procedural laws of California. All discovery shall be governed by the Code of Civil Procedure with all applicable time periods for notice and scheduling provided therein being reduced by one-half (1/2). The arbitrators may establish other discovery limitations or rules. The arbitration process will otherwise be governed by the Commercial Arbitration Rules of the American Arbitration Association. All issues regarding compliance with discovery requests shall be decided by the arbitrators. A decision by two of three arbitrators will be deemed the arbitration decision. The arbitration decision shall be in writing and shall specify the factual and legal basis for the decision. The decision of such arbitrators shall be final and binding upon the Parties and judgment upon the decision rendered by the arbitrators may be entered in the Neutral County Superior Court.

Each party shall bear the costs incurred for the person selected by it to be an arbitrator. All other costs (including, but not limited to, reasonable fees and expenses of

counsel and expert or consultant fees and costs) incurred in an arbitration (including the costs to enforce or preserve the decision) shall be borne by the Party whom the decision is against. If the decision is not clearly against one Party, the arbitration decision shall apportion the costs between the Parties.

**6. Effective Date**

The effective date, when the mutual rights and obligations of the Parties shall become legally binding, shall be the date upon which the last Party to sign duly executes the Agreement.

**7. Binding Agreement**

Each Party represents that it has read and understands this Agreement and has been represented by legal counsel and advised by other consultants in connection with the execution of this Agreement.

This Agreement shall be binding on the Parties and their respective successors and assigns.

**8. Authority**

Any person signing this Agreement represents that he/she has full power and authority to do so, and, that his/her signature is legally sufficient to bind the Party on whose behalf he/she is signing.

**9. Entire Understanding**

This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof, and supersedes any prior understanding between the Parties, except as set forth herein, whether written or oral. This Agreement can be amended only in writing signed by the Parties.

**10. Miscellaneous**

Lack of enforcement of any term or condition of this Agreement shall not be construed as a waiver of any rights conferred by such term or condition. Unless otherwise agreed to in writing, the failure of any Party to require the performance by the other Party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver of any provision hereof on one occasion be taken or held to be a waiver of the provision itself. Each Party has the right to pursue any available legal remedy to enforce its rights hereunder.

**11. Notices**

Any communication, notice or demand of any kind whatsoever which any Party may be required or may desire to give to or serve upon the other Party shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or

certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

IID: Imperial Irrigation District  
Attention: General Manager  
P O Box 937  
Imperial CA 92251  
Telephone: 760-339-9477  
Facsimile: 760-339-9392

for personal or overnight delivery:

Imperial Irrigation District  
333 E Barioni Blvd  
Imperial CA 92251  
Attention: General Manager

copy to: Horton, Knox, Carter & Foote

895 Broadway  
El Centro CA 92243  
Attention: John P. Carter, Chief Counsel  
Telephone: 760-352-2821  
Facsimile: 760-370-0900

CVWD: Coachella Valley Water District

Attention: General Manager/Chief Engineer  
P. O. Box 1058  
Coachella CA 92236

for personal or overnight delivery:

Coachella Valley Water District  
Attention: General Manager/Chief Engineer  
Avenue 52 and Highway 111  
Coachella CA 92236  
Telephone: 760-398-2651  
Facsimile: 760-398-3711

Copy to: Gerald D. Shoaf, Esq. & Steven B. Abbott, Esq.

Redwine and Sherrill  
1950 Market Street  
Riverside CA 92501-1720  
Telephone: 909-684-2520  
Facsimile: 909-684-9583



Any Party may change its address for notice by written notice given to the other Party in the manner provided in this Paragraph 11. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service; one (1) day after the date of confirmed dispatch, if by electronic communication, or three (3) days after being placed in the U.S. mail, if mailed.

**12. Further Acts**

Each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

**13. Construction**

The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question.

**14. For Benefit of Parties**

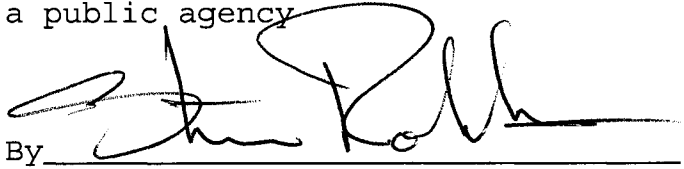
This Agreement is made solely for the benefit of the Parties hereto and their respective successors and assigns. No other person or entity may have or acquire any right by virtue of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement pursuant to duly adopted Board Resolutions and by their duly

authorized representatives on the date first above written.

CVWD:

COACHELLA VALLEY WATER DISTRICT,  
a public agency

By 

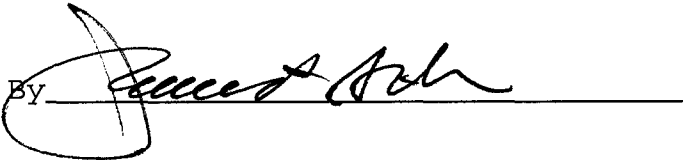
Its: General Manager-Chief Engineer

By \_\_\_\_\_

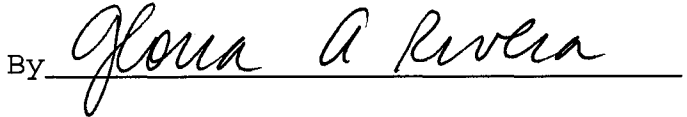
Its: Secretary

IID:

IMPERIAL IRRIGATION DISTRICT,  
a public agency

By 

Its: General Manager

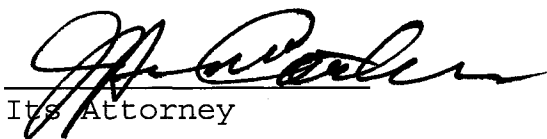
By 

Its: Secretary

APPROVED AS TO FORM:

  
Its Attorney

APPROVED AS TO FORM:

  
Its Attorney

## Exhibit A

## **EXHIBIT A**

### **CLOSED CASES**

Winston Baird, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 64193 (Benson/Checkers)

Federal Emergency Management Agency v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 54809

Lowell D. Fink, et al. v. Imperial Irrigation District, Imperial County Superior Court Case Number 66502

Reginald Robert Gray, et al. v. Imperial Irrigation District, Imperial County Superior Court Case Number 66503

W.R., Holcomb, et al. v. Imperial Irrigation District, Imperial County Superior Court Case Number 61027.

Pasadena Presbyterian, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 65583 and Alan Carder, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 65582

Salton Bay Marina, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 48157.

Shady Acres, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 66917

## Exhibit B

## **EXHIBIT B**

### **A. Third Party Claims In Lawsuits Settled by Imperial Irrigation District:**

1. James & Mary Aldridge, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 81127
2. Eldon M. Anderson, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 52749
3. John Elmore v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 52345
4. James Brown (formerly Jean Arney), et al., v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 85178
5. Elmer E. Plum v. Imperial Irrigation District, Imperial County Superior Court Case Number 89659
6. Imperial Irrigation District v. James La Fleur, et al., Imperial County Superior Court Case Number 91132
7. James LaFleur, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 88690
8. Wilbur J. Wilson, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 89376
9. Imperial Irrigation District v. Blaine Stinson, et al., Imperial County Superior Court Case Number 87659
10. Anna B. Bondy, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 90737
11. Fred S. Brown, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 90552
12. Ronald L. Clevenger, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 95059
13. John Jackson, et al. v. Imperial Irrigation District, et al., Imperial County Superior Court Case Number 98342

### **B. Third Party Claims Settled and Land Acquisitions Made by IID Where No Lawsuit Had Been Filed**

Sellers or Claimants were located in the following areas:

- A. Corvina Estates Tenants at Salton Sea Beach [five (5) persons]
- B. North Shore Purchases [two (2)]

- C. Bob's Playa Riviera - East Shore Salton Sea [eight (8) persons]
- D. Salton Sea Beach - Miscellaneous Purchases [thirteen (13)]
- E. Marina Mobile Estates Tenants [ninety (90) persons]
- F. Bombay Beach Marina [one (1) person]
- G. Griset [one (1) person]. Five hundred twenty one (521) acres were purchased. Three hundred forty one (341) acres are landward of dikes. CVWD will share in the cost of one hundred eighty (180) acres seaward of the dikes and receive a flowage easement over those seaward lands
- H. Applet (Salton Sea Yacht Club) [one (1) person]
- I. Adamson/Adhor Farms (Duck Club) [one (1) person]
- J. RLC Duck Club [one (1) person]
- K. Pryor Duck Club [one (1) person]
- L. Wright [one (1) person]
- M. Crawford [one (1) person]
- N. Miscellaneous payments for relocation assistance, etc. [forty-seven (47) persons]

## Exhibit C



## EXHIBIT C

The transfer of a permanent flowage easement to "fee title" lands (sections 3(a) and 3(b)) shall be by a grant deed and to "easements" (sections 3(c) and 3(d)) shall be by a quitclaim deed. The term permanent flowage easement means:

The perpetual right by grantee to use the described lands in the Salton Sink within and below the minus 220-foot contour as a drainage reservoir to receive and store water from its water and drainage systems, including flood water, return flows from irrigation, tail water, leach water, operational spills and any other water which overflows and floods such lands, originating from lands within the district.

The rights granted herein may be exercised without notice to Grantor or any third party.

The Salton Sink receives water from natural flow (precipitation, runoff and floods) and from irrigation and drainage systems in Imperial and Coachella Valleys in California and Mexicali Valley in the Republic of Mexico creating what is commonly known - the Salton Sea.

The levels of the sea fluctuate depending upon the relationship between inflow and evaporation - there being no outlet from the sea. The hereinafter described lands constitute nearly one-half of the lands, below the minus 220-foot contour and adjacent to and underlying said Salton Sea.

Grantor agrees that it will not make nor permit others to make any use of the land over which the permanent flowage easement extends which is detrimental to or inconsistent with said easement.

This permanent flowage easement shall extend to and be binding upon the grantees and their successors and assigns.

## EXHIBIT C

## Exhibit D

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
1	001-113-10-01	LOT 17, BLOCK 2	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
2	001-113-13-01	LOT 20, BLOCK 2	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
3	001-115-10-01	LOT 23, BLOCK 4	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
4	001-115-11-01	LOT 22, BLOCK 4	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B-TR. 662	Grant Deed
5	001-115-12-01	LOT 21, BLOCK 4	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
6	001-142-03-01	LOT 18, BLOCK 4	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
7	001-142-04-01	LOT 17, BLOCK 4	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
8	001-170-11-01	LOT 10, BLOCK 5	9	9	9		7/15/1998	98015833	1938	643	DESERT SHORES UNIT NO.2B -TRACT 662	Grant Deed
9	001-170-17-01	LOT 16, BLOCK 5	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
10	001-170-18-01	LOT 17, BLOCK 5	9	9	9		1/28/1998	98001830	1918	1777	DESERT SHORES UNIT 2B -TRACT 662	Grant Deed
11	001-170-46-01	LOT 4, BLOCK 6	9	9	9		9/8/1998	98020799	1945	646	TRACT 662	Grant Deed
12	001-180-03-01	ALL	1	9	9	640.38	3/7/1938	21	482	422		Deed
13	001-180-05-01	ALL	7	9	10	641.04	3/7/1938	21	482	422		Deed
14	001-180-07-01	ALL	11	9	9	640	3/7/1938	21	482	422		Deed
15	001-180-11-01	PORTION OF PARCEL 2 OF ROS (4-8), LYING IN SECTION 15	15	9	9	147.5	9/19/1996	96022055	1862	210		Corporation Grant Deed
16	001-180-15-01	ALL	13	9	9	640	3/7/1938	21	482	422		Deed
17	001-180-17-01	ALL	17	9	10	640	3/7/1938	21	482	422		Deed
18	001-280-04-01	ALL	19	9	10	642.02	3/7/1938	21	482	422		Deed
19	001-280-06-01	ALL	21	9	10	640	3/7/1938	21	482	422		Deed
20	001-280-08-01	ALL	29	9	10	640	3/7/1938	21	482	422		Deed
21	001-280-10-01	N 1/2; N 1/2 OF SE 1/4	25	9	9	400	3/7/1938	21	482	422		Deed
22	001-280-11-01	S 1/2 OF SE 1/4	25	9	9	80	12/10/1996	96028153	1870	1122		Grant Deed
23	001-280-18-01	NE 1/4; NE 1/4 OF NW 1/4; NE 1/4 OF SE 1/4	31	9	10	240	3/7/1938	21	482	422		Deed
24	001-280-21-01	ALL	33	9	10	640	3/7/1938	21	482	422		Deed
25	001-290-03-01	N 7-1/2 ACRES OF N 15 ACRES OF S 30 ACRES OF N 60 ACRES OF NW 1/4	23	9	9	7.5	5/24/1999	99011542	1976	1222		Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
26	001-290-05-01	N 75 FEET OF S 15 ACRES OF N 60 ACRES OF NW 1/4	23	9	9	4.55	8/9/1999	99017557	1985	1461		Quitclaim Deed
27	001-290-06-01	S 15 ACRES OF N 60 ACRES OF NW 1/4	23	9	9	10.45	5/24/1999	99011542	1976	1222		Grant Deed
28	001-290-07-01	W 5 ACRES OF S 10 ACRES OF NW 1/4 OF NW 1/4	23	9	9	5	5/24/1999	99011542	1976	1222		Grant Deed
29	001-290-10-01	W 186 FEET OF S 82.5 FEET OF NE 1/4 OF NW 1/4, EXCEPTING THE W 108 FT	23	9	9	0.35	1/28/1998	98001829	1918	1772		Grant Deed
30	001-290-13-01	SW 1/4 OF NW 1/4 OF NE 1/4, EXCEPT S 132 FEET THEREOF	23	9	9	8	1/28/1998	98001829	1918	1772	SALTON SEA	Grant Deed
31	001-290-17-01	PART OF SE 1/4 OF NW 1/4, LYING N & E OF SALTON SEA BEACH ESTATES UNIT NO. 4, TRACT 538 (2-31), EXCEPTING THE S 240 FT OF E 200 FT CONVEYED TO BOMAR BY DEED REC. 3-12-52 (834/151)	23	9	9	22.04	6/30/1997	97014840	1895	1615		Grant Deed
32	001-290-24-01	N 247-1/2 FEET OF S 330 FEET OF NE 1/4 OF NW 1/4, EXCEPTING THE W 30 FT FOR ROAD PURPOSES	23	9	9	7.5	1/28/1998	98001829	1918	1772	SALTON SEA BEACH	Grant Deed
33	001-290-37-01	S 7-1/2 ACRES OF N 30 ACRES OF NW 1/4	23	9	9	7.5	5/24/1999	99011542	1976	1222	SALTON SEA BEACH	Grant Deed
34	001-290-38-01	S 7-1/2 ACRES OF N 15 ACRES OF S 30 ACRES OF N 60 ACRES OF NW 1/4	23	9	9	7.5	5/24/1999	99011542	1976	1222	SALTON SEA BEACH	Grant Deed
35	001-290-39-01	SLY 7.5 ACRES OF N 22.5 ACRES, BEING LAND APPROXIMATELY 123-3/4 FT AT THE MOST WLY LINE OF PROPERTY AND EXTENDING FROM SECTION LINE APPROXIMATELY 1100 FT TO THE SHORES OF THE SALTON SEA; EXCEPTING THE W 500 FT THEREOF	23	9	9	5.85	11/7/1985	27	1549	1487		Individual Grant Deed
36	001-290-40-01	W 500 FT OF THE SLY 7.5 ACRES OF N 22.5 ACRES, BEING LAND APPROXIMATELY 123-3/4 FT AT THE MOST WLY LINE OF PROPERTY AND EXTENDING FROM SECTION LINE APPROXIMATELY 1100 FT TO THE SHORES OF THE SALTON SEA	23	9	9	1.65	11/7/1985	27	1549	1487		Individual Grant Deed
37	001-290-41-01	S 82.50 FEET OF NE 1/4 OF NW 1/4	23	9	9	2	5/24/1999	99011542	1976	1222	SALTON SEA BEACH	Grant Deed
38	001-290-42-01	S 132 FEET OF SW 1/4 OF NW 1/4 OF NE 1/4	23	9	9	2	5/24/1999	99011542	1976	1222	SALTON SEA BEACH	Grant Deed
39	001-311-01-01	LOT 1, BLOCK 10	23	9	9		10/1/1998	98023240	1948	993	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Quitclaim Deed
40	001-311-02-01	LOT 2, BLOCK 10	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
41	001-311-03-01	LOT 3, BLOCK 10	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
42	001-311-27-01	LOT 27, BLOCK 10	23	9	9		7/2/1987	8710378	1583	1388	SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
43	001-311-29-01	LOT 29, BLOCK 10	23	9	9		11/1/2002	28184	2157	90	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
44	001-311-30-01	LOT 30, BLOCK 10	23	9	9		11/7/1985	25	1549	1483	SALTON SEA BEACH ESTATES	Individual Grant Deed
45	001-311-31-01	LOT 31, BLOCK 10	23	9	9		11/1/1992	28185	2157	92	SALTON SEA BEACH ESTATES	Grant Deed
46	001-311-33-01	LOT 28, BLOCK 10, EXCEPT THE N 30 FT THEREOF	23	9	9		7/2/1987	87-10378	1583	1388	SALTON SEA BEACH ESTATES UNIT #4	Individual Grant Deed
47	001-312-24-01	LOT 24, BLOCK 1	23	9	9		6/24/2001	01-12074	2063	669	SALTON SEA BEACH ESTATES	Grant Deed
48	001-312-25-01	LOT 25, BLOCK 1	23	9	9		11/1/2002	02-28185	2157	92	SALTON SEA BEACH ESTATES	Grant Deed
49	001-313-32-01	LOT 32, BLOCK 1A	23	9	9		8/14/1996	96019298	1858	915	SALTON SEA BEACH ESTATES UNIT NO.2	Grant Deed
50	001-320-05-01	LOT 5, BLOCK 9	23	9	9		6/30/1997	9701484	1895	1615	SALTON SEA BEACH ESTAES UNIT NO. 4	Grant Deed
51	001-320-06-01	LOT 6, BLOCK 9	23	9	9		6/30/1987	9701484	1895	1615	SALTON SEA BEACH ESTATES UNIT NO.4	Grant Deed
52	001-320-07-01	LOT 7, BLOCK 9	23	9	9		6/30/1987	9701484	1895	1615	SALTON SEA BEACH ESTATES UNIT NO.4	Grant Deed
53	001-320-08-01	LOT 8, BLOCK 9	23	9	9		6/30/1987	9701484	1895	1615	SALTON SEA BEACH ESTATES UNIT NO.4	Grant Deed
54	001-320-11-01	LOT 11, BLOCK 9	23	9	9		5/21/2003	2003-14778	2203	835	SALTON SEA BEACH ESTATES UNIT NO.4	Grant Deed
55	001-341-03-01	LOT 15, BLOCK 9	23	9	9		3/20/2001	01-05873	2050	1191	SALTON SEA BEACH ESTATES UNIT NO. 4	Grant Deed
56	001-341-04-01	LOT 16, BLOCK 9	23	9	9		6/30/1997	9701484	1895	1615	538, SALTON SEA BEACH ESTATES UNIT NO. 4	Grant Deed
57	001-342-04-01	LOT 18, BLOCK 7	23	9	9		11/27/2000	00-23899	2035	1787	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Quitclaim Deed
58	001-342-05-01	LOT 19, BLOCK 7	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
59	001-342-07-01	LOT 21, BLOCK 7	23	9	9		6/20/1995	95013124	1811	1063	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
60	001-342-08-01	LOT 22, BLOCK 7	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
61	001-342-09-01	LOT 23, BLOCK 7	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
62	001-342-10-01	LOT 24, BLOCK 7	23	9	9		9/22/1997	97021609	1905	738	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
63	001-342-11-01	LOT 25, BLOCK 7	23	9	9		3/21/1997	97007449	1884	423	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
64	001-342-12-01	LOT 26, BLOCK 7	23	9	9		8/5/1997	97017740	1900	101	SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
65	001-342-16-01	LOT 3, BLOCK 7	23	9	9		1/9/1995	95000446	1795	210	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Personal Representative s Deed
66	001-342-17-01	LOT 4, BLOCK 7	23	9	9		6/2/1987	87-10376	1583	1384	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
67	001-342-18-01	LOT 5, BLOCK 7	23	9	9		6/2/1987	87-10376	1583	1384	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
68	001-342-19-01	LOT 6, BLOCK 7	23	9	9		5/24/1999	99011542	1976	1222	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
69	001-343-11-01	LOT 21, BLOCK 4	23	9	9		4/22/1998	98008889	1928	1074	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
70	001-343-12-01	LOT 22, BLOCK 4	23	9	9		4/22/1998	98008889	1928	1074	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
71	001-343-13-01	LOT 1, BLOCK 4	23	9	9		4/22/1998	98008889	1928	1074	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
72	001-343-14-01	LOT 2, BLOCK 4	23	9	9		4/22/1998	98008889	1928	1074	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
73	001-343-22-01	LOT 10, BLOCK 4	23	9	9		1/28/1998	98001829	1918	1772	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
74	001-343-23-01	LOT 11, BLOCK 4	23	9	9		1/28/1998	98001829	1918	1772	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
75	001-343-24-01	PART OF SW 1/4, SECTION 23, 9-9, D.A.F.: BEG AT THE NE COR OF THE NW 1/4 OF THE SW 1/4 OF SAIDD SECTION 23; TH E ALG N LINE OF SD SW 1/4, 150 FT; TH S PARALLEL WITH THE E LINE OF THE NW 1/4 OF THE SW 1/4 OF SD SEC 23, A DISTANCE OF 240 FT TO THE N LINE OF THE COUNTY ROAD LEADING FROM HWY 99 TO SALTON SEA BEACH SUBDIVISION, ACCORDING TO MAP NO. 298; TH W ALG THE N LINE OF SD COUNTY ROAD, 150 FT TO THE E LINE OF THE NW 1/4 OF THE SW 1/4 OF SAID SECTION 23, TH N ALG THE E LINE OF THE NW 1/4 OF THE SW 1/4 OF SD SECTION 23 TO THE P.O.B., EXCEPTING THEREFROM THE N 130 FT THEREOF	23	9	9	0.3	1/28/1998	98001829	1918	1772		Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
76	001-344-03-01	LOT 6, BLOCK 8	23	9	9		2/17/1984	176	1517	202	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Tax Deed To Purchaser of Real Property
77	001-344-04-01	E 200 FEET OF THE S 240 FEET OF THE SE 1/4 OF THE NW 1/4	23	9	9	1.1	8/25/1995	95018633	1818	1397	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
78	001-345-04-01	LOT 9, BLOCK 3	23	9	9		11/1/2002	2002-28185	2157	92	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
79	001-345-08-01	LOT 3, BLOCK 3	23	9	9		8/12/1994	94019031	1779	996	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
80	001-351-02-01	LOTS 1 THRU 20 INCLUSIVE & LOTS 22 THRU 28 INCLUSIVE, BLOCK 11	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
81	001-352-16-01	ALL OF BLOCK 1 (LOTS 1-15)	23	9	9		6/30/1997	97014840	1895	1615	SALTON SEA BEACH	Grant Deed
82	001-353-09-01	LOTS 1, 2, 3, & 15 THRU 21 INCLUSIVE, BLOCK 2	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
83	001-353-11-01	LOTS 12 & 13, BLOCK 2	23	9	9		8/25/95	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
84	001-354-01-01	LOTS 14 & 15, BLOCK 3	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
85	001-354-06-01	LOTS 1 THRU 9, & 21 THRU 29, BLOCK 3	23	9	9		8/25/1995	95018633	1818	1379	SALTON SEA BEACH	Grant Deed
86	001-354-15-01	LOTS 10 THRU 13, BLOCK 3	23	9	9		8/25/1995	95018633	1818	1379	SALTON SEA BEACH	Grant Deed
87	001-354-19-01	LOT 17, BLOCK 3	23	9	9		8/25/1995	95018633	1818	1379	SALTON SEA BEACH	Grant Deed
88	001-355-10-01	LOT 6, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
89	001-355-11-01	LOT 5, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
90	001-355-12-01	LOT 4, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
91	001-355-13-01	LOT 3, BLOCK 4	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
92	001-355-14-01	LOT 2, BLOCK 4	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
93	001-355-15-01	LOT 1, BLOCK 4	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
94	001-355-16-01	LOTS 22 THRU 30, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
95	001-355-23-01	LOTS 7 THRU 17, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
96	001-355-25-01	LOTS 20 & 21, BLOCK 4	23	9	9		10/13/1995	95022624	1824	592	SALTON SEA BEACH	Grant Deed
97	001-355-26-01	LOTS 18 & 19, BLOCK 4	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
98	001-356-01-01	LOTS 11 THRU 21, BLOCK 5	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
99	001-356-02-01	LOT 10, BLOCK 5	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
100	001-356-03-01	LOT 9, BLOCK 5	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
101	001-356-04-01	LOT 8, BLOCK 5	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
102	001-356-05-01	LOT 7, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
103	001-356-06-01	LOT 6, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
104	001-356-07-01	LOT 5, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
105	001-356-08-01	LOT 4, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
106	001-356-09-01	LOT 3, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
107	001-356-10-01	LOT 2, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
108	001-356-11-01	LOT 1, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
109	001-356-12-01	LOT 30, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
110	001-356-13-01	LOT 29, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
111	001-356-14-01	LOT 28, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
112	001-356-15-01	LOT 27, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
113	001-356-16-01	LOT 26, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
114	001-356-17-01	LOT 25, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
115	001-356-18-01	LOT 24, BLOCK 5	23	9	9		11/22/2000	00-23604	2035	1169	SALTON SEA BEACH	Grant Deed
116	001-356-19-01	LOT 23, BLOCK 5	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
117	001-356-20-01	LOT 22, BLOCK 5	23	9	9		8/25/1985	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
118	001-361-14-01	LOT 30, BLOCK 12	23	9	9		2/20/1987	87-02529	1575	600	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
119	001-361-17-01	LOTS 14 THRU 22, BLOCK 12	23	9	9		2/20/1987	87-02527	1575	596	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
120	001-361-19-01	LOTS 24, 25, & 26, BLOCK 12	23	9	9		2/20/1987	87-02528	1575	598	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
121	001-362-07-01	LOT 11, BLOCK 13	23	9	9		2/20/1987	87-02531	1575	604	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
122	001-362-18-01	LOTS 12 THRU 17, BLOCK 13	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
123	001-362-20-01	LOT 1, BLOCK 13	23	9	9		2/20/1987	87-02530	1575	602	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
124	001-362-25-01	LOTS 9 & 10, BLOCK 13	23	9	9		2/26/1988	88-03101	1598	1134	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
125	001-363-01-01	LOTS 1, 2, 3, 15, 16, 19 THRU 34, BLOCK 14	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed



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	APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
126	001-363-03-01	LOT 17, BLOCK 14	23	9	9		2/20/1987	87-02532	1575	606	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
127	001-363-16-01	LOTS 4, 5, 6, BLOCK 14	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
128	001-372-27-01	LOT 30, BLOCK 1	23	9	9		11/1/2002	2002-28185	2157	92	TRACT 538-A, SALTON SEA BEACH ESTATES UNIT NO. 4	Grant Deed
129	001-381-01-01	LOT 30, BLOCK 6	23	9	9		11/22/2000	00-03604	2035	1169	SALTON SEA BEACH	Grant Deed
130	001-381-05-01	LOT 26, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
131	001-381-06-01	LOT 25, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
132	001-381-07-01	LOT 24, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
133	001-381-08-01	LOT 23, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
134	001-381-09-01	LOT 22, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
135	001-381-10-01	LOT 21, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
136	001-381-11-01	LOT 20, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
137	001-381-12-01	LOT 19, BLOCK 6	23	9	9		4/11/1989	89-05691	1622	1495	SALTON SEA BEACH	Grant Deed
138	001-381-13-01	LOT 18, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
139	001-381-15-01	LOT 16, BLOCK 6	23	9	9		2/17/1984	177	1517	204	SALTON SEA BEACH	Tax Deed To Purchaser of Real Property
140	001-381-16-01	LOT 15, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
141	001-381-17-01	LOT 14, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
142	001-381-18-01	LOT 13, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
143	001-381-19-01	LOT 12, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
144	001-381-20-01	LOT 11, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
145	001-381-21-01	LOT 10, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
146	001-381-22-01	LOT 9, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
147	001-381-23-01	LOT 8, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
148	001-381-24-01	LOT 7, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
149	001-381-25-01	LOT 6, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
150	001-381-26-01	LOT 5, BLOCK 6	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
151	001-382-01-01	LOT 30, BLOCK 6	23	9	9		11/7/1985	27	1549	1487	SALTON SEA BEACH	Grant Deed
152	001-382-02-01	LOT 29, BLOCK 6	23	9	9		11/7/1985	27	1549	1487	SALTON SEA BEACH	Grant Deed
153	001-382-03-01	LOT 28, BLOCK 7	23	9	9		11/7/1985	27	1549	1487	SALTON SEA BEACH	Grant Deed
154	001-382-04-01	LOT 27, BLOCK 7	23	9	9		11/7/1985	27	1549	1487	SALTON SEA BEACH	Grant Deed
155	001-382-05-01	LOT 26, BLOCK 7	23	9	9		11/7/1985	27	1549	1487	SALTON SEA BEACH	Grant Deed
156	001-382-06-01	LOT 25, BLOCK 7	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed

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157	001-382-07-01	LOT 24, BLOCK 7	23	9	9		6/5/1996	96012112	1849	1077	SALTON SEA BEACH	Grant Deed
158	001-382-08-01	LOT 23, BLOCK 7	23	9	9		6/5/1996	96012112	1849	1077	SALTON SEA BEACH	Grant Deed
159	001-382-09-01	LOT 22, BLOCK 7	23	9	9		6/5/1996	96012112	1849	1077	SALTON SEA BEACH	Grant Deed
160	001-382-10-01	LOT 21, BLOCK 7	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
161	001-382-11-01	LOT 20, BLOCK 7	23	9	9		8/12/1994	94019023 / 4	1779	929 & 932	SALTON SEA BEACH	Grant Deed
162	001-382-12-01	LOT 19, BLOCK 7	23	9	9		8/12/1994	94019023 / 4	1779	929 & 932	SALTON SEA BEACH	Grant Deed
163	001-382-14-01	LOT 17, BLOCK 7	23	9	9		8/12/1994	94019023 / 4	1779	929 & 932	SALTON SEA BEACH	Grant Deed
164	001-382-15-01	LOT 16, BLOCK 7	23	9	9		8/12/1994	94019023 / 4	1779	929 & 932	SALTON SEA BEACH	Grant Deed
165	001-382-33-01	LOTS 6, 7 & 8, BLOCK 7	23	9	9		11/7/1985	28	1549	1489	SALTON SEA BEACH	Grant Deed
166	001-382-34-01	LOTS 9, 10, 11 & 12, BLOCK 7	23	9	9		11/7/1985	28	1549	1489	SALTON SEA BEACH	Grant Deed
167	001-382-35-01	LOTS 4 & 5, BLOCK 7	23	9	9		11/7/1985	28	1549	1489	SALTON SEA BEACH	Grant Deed
168	001-382-36-01	LOTS 1, 2 & 3, BLOCK 7	23	9	9		11/7/1985	28	1549	1489	SALTON SEA BEACH	Grant Deed
169	001-383-28-01	LOT 3, BLOCK 8	23	9	9		10/4/1991	91018923	1683	632	SALTON SEA BEACH	Grant Deed
170	001-383-31-01	EAST 1/2 OF LOT 7, ALL OF LOT 8, BLOCK 8	23	9	9		12/23/1985	29	1551	1774	SALTON SEA BEACH	Grant Deed
171	001-383-36-01	LOT 27, BLOCK 8	23	9	9		7/2/1987	87-010375	1583	1382	SALTON SEA BEACH	Grant Deed
172	001-384-30-01	LOTS 1 THRU 8, BLOCK 15	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
173	001-384-31-01	LOTS 22 THRU 30, BLOCK 15	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
174	001-384-33-01	LOTS 16 THRU 21, BLOCK 15	23	9	9		6/5/1996	96012112	1849	1077	SALTON SEA BEACH	Grant Deed
175	001-384-34-01	LOTS 9 THRU 15, BLOCK 15	23	9	9		6/5/1996	96012112	1849	1077	SALTON SEA BEACH	Grant Deed
176	001-385-24-01	LOT 15, BLOCK 16	23	9	9		2/20/1987	87-002533	1575	608	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
177	001-386-02-01	LOT 26, BLOCK 17	23	9	9		8/11/1994	94018915	1779	637	SALTON SEA BEACH	Grant Deed
178	001-386-14-01	LOTS 29 & 30, BLOCK 17	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
179	001-386-16-01	LOTS 11, 12, 13, 14 & 15, BLOCK 17	23	9	9		2/20/1987	87-002531	1575	610	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
180	001-391-20-01	LOT 11, BLOCK 9	23	9	9		8/11/1994	94018913	1779	629	SALTON SEA BEACH	Grant Deed
181	001-391-21-01	LOT 10, BLOCK 9	23	9	9		8/11/1994	94018913	1779	629	SALTON SEA BEACH	Grant Deed
182	001-391-22-01	LOT 9, BLOCK 9	23	9	9		8/11/1994	94018913	1779	629	SALTON SEA BEACH	Grant Deed
183	001-392-01-01	LOT 30, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
184	001-392-02-01	LOT 29, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
185	001-392-03-01	LOT 28, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
186	001-392-04-01	LOT 27, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed

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187	001-392-05-01	LOT 26, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
188	001-392-06-01	LOT 25, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
189	001-392-07-01	LOT 24, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
190	001-392-08-01	LOT 23, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
191	001-392-09-01	LOT 22, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
192	001-392-10-01	LOT 21, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
193	001-392-11-01	LOT 20, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
194	001-392-12-01	LOT 19, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
195	001-392-13-01	LOT 18, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
196	001-392-14-01	LOT 17, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
197	001-392-15-01	LOT 16, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
198	001-392-16-01	LOT 15, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
199	001-392-17-01	LOT 14, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
200	001-392-18-01	LOT 13, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
201	001-392-19-01	LOT 12, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
202	001-392-20-01	LOT 11, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
203	001-392-21-01	LOT 10, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
204	001-392-22-01	LOT 9, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
205	001-392-23-01	LOT 8, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
206	001-392-24-01	LOTS 4, 5, 6 & 7, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
207	001-392-25-01	LOT 3, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
208	001-392-26-01	LOT 2, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
209	001-392-27-01	LOT 1, BLOCK 10	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
210	001-393-02-01	LOTS 1 THRU 28, BLOCK 18	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
211	001-394-01-01	LOT 30, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
212	001-394-02-01	LOT 29, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
213	001-394-03-01	LOT 28, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
214	001-394-04-01	LOT 27, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
215	001-394-05-01	LOT 26, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
216	001-394-06-01	LOT 25, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
217	001-394-08-01	LOTS 8 THRU 23, BLOCK 19	23	9	9		8/12/1994	94019023 / 4	1779	929 & 932	SALTON SEA BEACH	Grant Deed
218	001-394-10-01	LOT 6, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
219	001-394-11-01	LOT 5, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
220	001-394-12-01	LOT 4, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
221	001-394-13-01	LOT 3, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed

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222	001-394-14-01	LOT 2, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
223	001-394-15-01	LOT 1, BLOCK 19	23	9	9		8/25/1995	95018633	1818	1397	SALTON SEA BEACH	Grant Deed
224	001-401-02-01	LOT 7, BLOCK 20	23	9	9		2/26/1988	88-03100	1598	1132	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
225	001-401-05-01	LOT 2, BLOCK 20	23	9	9		4/13/1989	89-05819	1622	1731	SALTON SEA BEACH	Grant Deed
226	001-402-10-01	LOTS 3, 4, 5, 6 & 15 & 17, BLOCK 21	23	9	9		2/20/1987	87-02535	1575	612	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
227	001-402-13-01	LOT 10, BLOCK 21	23	9	9		4/2/1987	87-05053	1578	244	SALTON SEA BEACH SUBDIVISION	Grant Deed
228	001-403-03-01	LOT 25, BLOCK 22	23	9	9		2/26/1988	88-03099	1598	1130	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
229	001-403-06-01	LOTS 1 THRU 10 & 13, 14, 15 & 18 THRU 24 & 26, 27, 28, 29, BLOCK 22	23	9	9		2/20/1987	87-02536	1575	614	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
230	001-404-07-01	LOTS 1 THRU 5 INCLUSIVE, & LOTS 27 THRU 31 INCLUSIVE, BLOCK 25	23	9	9		5/17/1991	91008690	1672	1599	SALTON SEA BEACH	Individual Grant Deed
231	001-404-09-01	LOTS 6 THRU 13 & 22 THRU 26, BLOCK 25	23	9	9		4/13/1989	89-05819	1622	1731	SALTON SEA BEACH	Grant Deed
232	001-411-03-01	LOTS 1, 2, 3 & 5 TO 13 & 15 TO 30, BLOCK 23	23	9	9		2/20/1987	87-02537	1575	616	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
233	001-412-08-01	LOTS 10 TO 21 INCLUSIVE, BLOCK 24	23	9	9		2/20/1987	87-02538	1575	618	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
234	001-413-08-01	LOTS 1 THRU 10 & LOTS 12, 13, 14, 17 & 19, BLOCK 27	23	9	9		4/11/1989	89-05691	1622	1495	SALTON SEA BEACH	Individual Grant Deed
235	001-414-08-01	LOTS 7 THRU 14 & LOTS 20 THRU 30, BLOCK 28	23	9	9		4/11/1989	89-05691	1622	1495	SALTON SEA BEACH	Individual Grant Deed
236	001-414-12-01	LOTS 18 & 19, BLOCK 28	23	9	9		4/13/1989	89-05819	1622	1731	SALTON SEA BEACH	Individual Grant Deed
237	001-460-03-01	S 1/2	23	9	9	320	3/7/1938	21	482	422	SALTON SEA	Deed
238	001-470-02-01	ALL	23	9	10	640	3/7/1938	21	482	422	SALTON SEA	Deed
239	001-470-04-01	ALL	25	9	10	640	3/7/1938	21	482	422	SALTON SEA	Deed
240	001-470-06-01	ALL	27	9	10	640	3/7/1938	21	482	422	SALTON SEA	Deed
241	001-470-08-01	W 1/2	35	9	10	320	3/7/1938	21	482	422	SALTON SEA	Deed
242	001-470-09-01	E 1/2	35	9	10	320	3/7/1938	21	482	422	SALTON SEA	Deed

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243	001-480-29-01	NORTHERLY 608.25 FEET THEREOF ALONG THE EASTERLY LINE OF LOT 3, TRACT 700 (8-49), EXCEPTING THEREFROM THAT PORTION LYING EAST OF A LINE DAF: COMMENCING AT THE MOST NORTHERLY NORTHWEST CORNER OF SAID LOT 3; THENCE NORTH 88°35'00" E, 1413.95 FEET TO THE POB OF THE LINE HEREIN DESCRIBED; THENCE S 01°24'57" E, 2097.78 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 3 AND THE POINT OF TERMINATION OF SAID LINE	9	9	9	20	3/31/1995	95006961	1803	742	TRACT 700	Grant Deed
244	001-480-31-01	THEROF, LYING EAST OF A LINE DAF: COMMENCING AT THE MOST NORTHERLY NORTHWEST CORNER OF SAID LOT 3; THENCE NORTH 88°35'00" E, 1413.95 FEET TO THE POB OF THE LINE HEREIN DESCRIBED; THENCE S 01°24'57" E, 2097.78 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 3 AND THE POINT OF TERMINATION OF SAID LINE	9	9	9	38.82	3/31/1995	95006961	1803	742	TRACT 700	Grant Deed
245	001-850-47-01	THAT PORTION OF THE NE 1/4 OF THE NW 1/4	23	9	9	8.6	9/24/1998	980022453	1947	662	TRACT 724	Grant Deed
246	002-020-04-01	THE S 30 ACRES OF THE N 60 ACRES OF THE S 80 ACRES OF THE N 1/2 OF THE N 1/2 OF SAID SECTION 4	4	9	11	10.78	7/27/1995	95016371	1815	1217		Grant Deed
247	002-020-14-01	PART OF THE S 1/2 OF N 1/2, SECTION 4, 9-11, LYING E OF STATE HWY AND LYING S AND PARALLEL WITH AND 1,155 FT S OF THE N LINE OF SD S 1/2 OF N 1/2 OF SD SECTION	4	9	11	2.49	1/14/1997	97000976	1874	883		Grant Deed
248	002-020-25-01	PART OF S 1/2 OF N 1/2, SECTION 4, 9-11, LYING W OF STATE HWY AND LYING S AND PARALLEL WITH AND 1,155 FT S OF THE N LINE OF SD S 1/2 OF N 1/2 OF SD SECTION	4	9	11	16.62	1/14/1997	97000976	1874	883		Grant Deed
249	002-020-35-01	THE S 30 ACRES OF THE N 60 ACRES OF THE S 80 ACRES OF THE N 1/2 OF THE N 1/2 OF SAID SECTION 4	4	9	11	17.5	7/27/1995	95016371	1815	1217		Grant Deed
250	002-020-45-01	PART OF S 166 FT OF N 824 FT OF S 1/2 OF N 1/2 AND PART OF S 166 FT OF N 990 FT OF S 1/2 OF N 1/2, SECTION 4, 9-11, LY W OF STATE HWY 111	4	9	11	30.77	4/30/1996	96009254	1845	1068		Grant Deed
251	002-020-46-01	PART OF S 166 FT OF N 824 FT OF S 1/2 OF N 1/2, AND PART OF S 166 FT OF N 990 FT OF S 1/2 OF N 1/2, SECTION 4, 9-11, LY E OF STATE HWY 111	4	9	11	7.48	4/30/1996	96009254	1845	1068		Grant Deed
252	002-120-25-01	THE EAST 1/2 OF THE NW 1/4 OF THE NE 1/4	15	9	12	20	6/24/1988	88-10085	1605	1651		Individual Grant Deed
253	002-160-03-01	ALL	21	9	11	640	3/7/1938	21	482	422		Deed
254	002-160-05-01	NW 1/4 OF NE 1/4; S 1/2 OF NE 1/4; NW 1/4; S 1/2	23	9	11	600	3/7/1938	21	482	422		Deed
255	002-160-12-01	NW 1/4 OF NE 1/4; S 1/2 OF NE 1/4; NW 1/4; S 1/2	25	9	11	600	3/7/1938	21	482	422		Deed
256	002-160-14-01	ALL	27	9	11	640	3/7/1938	21	482	422		Deed

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257	002-160-22-01	ALL	35	9	11	640	3/7/1938	21	482	422	SALTON SEA	Deed
258	002-160-23-01	ALL	36	9	11	640	3/7/1962	50	1104	618		Patent
259	002-244-34-01	LOTS 188, 189 & 190, BLOCK E	33	9	12		3/20/2001	2001-105875	2050	1196	BOMBAY BEACH	Grant Deed
260	002-252-03-01	LOT 118, BLOCK F	33	9	12		3/20/2001	2001-05874	2050	1194	BOMBAY BEACH	Grant Deed
261	002-252-04-01	LOT 117, BLOCK F	33	9	12		4/2/2002	2002-07987	2115	987	BOMBAY BEACH	Grant Deed
262	002-252-05-01	LOT 116, BLOCK F	33	9	12		2/25/2003	2003-005628	2182	705	BOMBAY BEACH	Grant Deed
263	002-252-07-01	LOT 114, BLOCK F	33	9	12		6/24/2003	2003-18064	2211	1452	BOMBAY BEACH	Grant Deed
264	002-252-09-01	LOT 112, BLOCK F	33	9	12		2/25/2003	2003-005628	2182	705	BOMBAY BEACH	Grant Deed
265	002-252-10-01	LOT 111, BLOCK F	33	9	12		3/10/2003	2003-006989	2185	974	BOMBAY BEACH	Grant Deed
266	002-253-01-01	LOT 180, BLOCK F	33	9	12		9/11/2002	2002-23254	2146	875	BOMBAY BEACH	Grant Deed
267	002-253-02-01	LOT 179, BLOCK F	33	9	12		3/21/2001	2001-05987	2050	1545	BOMBAY BEACH	Grant Deed
268	002-253-28-01	LOT 123, BLOCK F	33	9	12		10/10/2002	2002-25900	2512	677	BOMBAY BEACH	Grant Deed
269	002-253-29-01	LOT 122, BLOCK F	33	9	12		5/28/2003	2003-015438	2204	1697	BOMBAY BEACH	Grant Deed
270	002-253-30-01	LOT 121, BLOCK F	33	9	12		9/11/2002	2002-23254	2146	875	BOMBAY BEACH	Grant Deed
271	002-253-33-01	LOTS 124 & 125, BLOCK F	33	9	12		10/8/2001	2001-22490	2084	713	BOMBAY BEACH	Grant Deed
272	002-254-01-01	LOT 240, BLOCK F	33	9	12		11/18/1996	96026666	1868	773	BOMBAY BEACH	Grant Deed
273	002-254-14-01	LOT 227, BLOCK F	33	9	12		12/16/1996	96028520	1871	169	BOMBAY BEACH	Grant Deed
274	002-254-15-01	LOT 226, BLOCK F	33	9	12		12/16/1996	96028520	1871	169	BOMBAY BEACH	Full Reconveyance Grant Deed
275	002-261-33-01	LOTS 16 TO 32 INCLUSIVE, LOTS 39 TO 45 INCLUSIVE, BLOCK E	33	9	12		11/30/1995	95026315	1829	939	BOMBAY BEACH	Grant Deed
276	002-261-34-01	LOT 38, BLOCK 3	33	9	12		11/30/1995	95026315	1829	939	BOMBAY BEACH	Grant Deed
277	002-262-33-01	LOTS 76 TO 105, INCLUSIVE, BLOCK E	33	9	12		11/30/1995	95026315	1829	939	BOMBA6 BEACH	Grant Deed
278	002-263-02-01	LOT 164, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
279	002-263-03-01	LOT 163, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
280	002-263-04-01	LOT 162, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
281	002-263-05-01	LOT 161, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
282	002-263-26-01	LOT 140, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
283	002-263-27-01	LOT 139, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
284	002-263-28-01	LOT 138, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
285	002-263-29-01	LOT 137, BLOCK E	33	9	12		12/29/1994	94031285 / 6	1794	374 & 378	BOMBAY BEACH	Grant Deed/QC Deed
286	002-263-30-01	LOT 136, BLOCK E	33	9	12		9/27/1995	95021259-63	1822	844-856	BOMBAY BEACH	Grant Deed
287	002-264-01-01	LOT 225, BLOCK E	33	9	12		8/11/1994	94018909	1779	608	BOMBAY BEACH	Quitclaim Deed

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288	002-264-02-01	LOT 224, BLOCK E	33	9	12		8/11/1994	94018909	1779	608	BOMBAY BEACH	Quitclaim Deed
289	002-264-04-01	LOT 222, BLOCK E	33	9	12		6/30/1994	94015278 & 80	1774	1341 & 1349	BOMBAY BEACH	Grant Deed
290	002-264-33-01	LOTS 211 THRU 214, BLOCK E	33	9	12		12/23/1985	30	1551	1776	BOMBAY BEACH	Grant Deed
291	002-271-22-01	LOT 24, BLOCK F	33	9	12		8/11/1994	94018916	1779	639	BOMBAY BEACH	Grant Deed
292	002-271-29-01	LOT 17, BLOCK F	33	9	12		7/2/1987	87-10362	1583	1356	BOMBAY BEACH	Grant Deed
293	002-271-30-01	LOT 16, BLOCK F	33	9	12		7/2/1987	87-10362	1583	1356	BOMBAY BEACH	Grant Deed
294	002-271-32-01	LOTS 41, 42 & 43, BLOCK F	33	9	12		8/12/1994	94019027	1779	965	BOMBAY BEACH	Grant Deed
295	002-272-07-01	LOT 99, BLOCK F	33	9	12		8/12/1994	94019016	1779	907	BOMBAY BEACH	Grant Deed
296	002-272-08-01	LOT 98, BLOCK F	33	9	12		8/12/1994	94019016	1779	906	BOMBAY BEACH	Grant Deed
297	002-272-10-01	LOT 96, BLOCK F	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Corporation Grant Deed
298	002-272-11-01	LOT 95, BLOCK F	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Corporation Grant Deed
299	002-272-23-01	LOT 83, BLOCK F	33	9	12		6/30/1994	94015281	1774	1352	BOMBAY BEACH	Grant Deed
300	002-273-01-01	LOT 165, BLOCK F	33	9	12		11/7/1985	24	1549	1481	BOMBAY BEACH	Individual Grant Deed
301	002-273-02-01	LOT 164, BLOCK F	33	9	12		11/7/1985	24	1549	1481	BOMBAY BEACH	Individual Grant Deed
302	002-273-19-01	LOT 147, BLOCK F	33	9	12		11/7/1985	29	1549	1491	BOMBAY BEACH	Individual Grant Deed
303	002-273-20-01	LOT 146, BLOCK F	33	9	12		11/7/1985	29	1549	1491	BOMBAY BEACH	Individual Grant Deed
304	002-273-22-01	LOT 144, BLOCK F	33	9	12		11/7/1985	26	1549	1485	BOMBAY BEACH	Individual Grant Deed
305	002-273-33-01	LOTS 136, 137 & 138, BLOCK F	33	9	12		7/2/1987	81-010359	1583	1350	BOMBAY BEACH	Individual Grant Deed
306	002-274-01-01	LOT 225, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
307	002-274-16-01	LOT 210, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
308	002-274-21-01	LOTS 205, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
309	002-274-24-01	LOT 202, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
310	002-274-25-01	LOT 201, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
311	002-274-26-01	LOT 200 BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
312	002-274-35-01	LOTS 199, 203, 204, 207, 214 THRU 222, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed
313	002-274-36-01	LOTS 196, 197, 198 & 223, BLOCK F	33	9	12		11/7/1985	30	1549	1494	BOMBAY BEACH	Individual Grant Deed

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314	002-282-15-01	LOTS 31 & 31A, BLOCK G	33	9	12		2/20/1987	87-02518	1575	578	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
315	002-282-16-01	LOTS 26 TO 30 INCL, & 46 TO 50 INCL, BLOCK G	33	9	12		2/20/1987	87-02517	1575	576	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
316	002-283-11-01	LOT 15, BLOCK G	33	9	12		2/20/1987	87-02514	1575	570	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
317	002-283-17-01	LOTS 21 TO 25, BLOCK G	33	9	12		2/20/1987	87-02516	1575	574	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
318	002-283-21-01	LOT 19, BLOCK G	33	9	12		2/20/1987	87-02515	1575	572	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
319	002-284-01-01	LOT 32, BLOCK G	33	9	12		4/2/1987	87-05052	1578	242	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
320	002-284-12-01	LOT 43, BLOCK G	33	9	12		2/26/1988	88-03098	1598	1128	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
321	002-284-15-01	LOTS 44 & 45, BLOCK G	33	9	12		2/20/1987	87-02520	1575	582	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
322	002-284-18-01	LOTS 37, 38 & 39 BLOCK G	33	9	12		5/10/1984	11	1521	981	BOMBAY BEACH	Tax Deed To Purchaser of Real Property
323	002-284-22-01	LOT 34, BLOCK G	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
324	002-285-20-01	LOTS 53 & 54, BLOCK G	33	9	12		2/17/1984	180	1517	210	BOMBAY BEACH	Tax Deed To Purchaser of Real Property
325	002-285-21-01	LOTS 66 TO 71 INCLUSIVE, BLOCK G	33	9	12		2/17/1984	181	1517	212	BOMBAY BEACH	Tax Deed To Purchaser of Real Property
326	002-285-29-01	LOT 56, BLOCK G	33	9	12		2/20/1987	87-02519	1575	580	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property



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	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
327	002-286-09-01	LOT 116, BLOCK G	33	9	12		8/12/1994	94019029	1779	979	BOMBAY BEACH	Grant Deed
328	002-286-16-01	LOTS 98, 99, 100 & 117 TO 121 INCLUSIVE, BLOCK G	33	9	12		2/20/1987	87-02523	1575	588	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
329	002-287-06-01	LOT 91, BLOCK G	33	9	12		2/20/1987	87-02522	1575	586	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
330	002-287-28-01	LOTS 75 & 76, BLOCK G	33	9	12		2/20/1987	87-02521	1575	584	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
331	002-288-17-01	LOTS 108 & 109, BLOCK G	33	9	12		8/12/1994	94019026	1779	961	BOMBAY BEACH	Grant Deed
332	002-288-21-01	LOT 103, BLOCK G	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
333	002-288-22-01	LOT 104, BLOCK G	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
334	002-288-23-01	LOTS 112 & 113, BLOCK G	33	9	12		2/20/1987	87-02525	1575	592	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
335	002-288-24-01	LOTS 110 & 111, BLOCK G	33	9	12		2/20/1987	87-02524	1575	590	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
336	002-288-28-01	LOT 18, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
337	002-292-16-01	LOTS 30, 31, 33 & 34, BLOCK H	33	9	12		10/4/1995	95021992	1823	812	BOMBAY BEACH	Grant Deed
338	002-292-17-01	LOTS 35 THRU 39, BLOCK H	33	9	12		2/20/1987	87-02507	1575	556	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
339	002-292-18-01	LOTS 26, & 27, BLOCK H	33	9	12		2/26/1988	88-03102	1598	1136	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
340	002-293-03-01	LOT 66, BLOCK H	33	9	12		9/29/1995	95021595	1822	1756	BOMBAY BEACH	Grant Deed
341	002-293-05-01	LOT 64, BLOCK H	33	9	12		4/1/1992	92006629	1695	1711	BOMBAY BEACH	Grant Deed
342	002-293-32-01	LOT 62 & 63, BLOCK H	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
343	002-293-33-01	LOTS 40 THRU 60, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
344	002-297-08-01	LOT 76, BLOCK H	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
345	002-294-15-01	LOTS 69 THRU 75, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
346	002-294-16-01	LOTS 78 & 79, BLOCK H	33	9	12		2/20/1987	87-02508	1575	558	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property

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347	002-288-42-01	LOTS 199 THROUGH 122, BLOCK H	33	9	12		2/20/1987	87-02510	1575	562	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
348	002-291-21-01	LOT 5, BLOCK H	33	9	12		2/20/1987	87-02505	1575	552	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
349	002-291-26-01	LOTS 1, 2, & 3, BLOCK H	33	9	12		2/20/1987	87-02504	1575	550	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
350	002-291-27-01	LOTS 23, 24 & 25, BLOCK H	33	9	12		2/20/1987	87-02506	1575	554	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
351	002-291-29-01	LOTS 10 THRU 20, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
352	002-301-33-01	LOTS 88 THRU 100, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
353	002-301-36-01	LOT 104, BLOCK H	33	9	12		2/20/1987	87-02509	1575	560	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
354	002-302-15-01	LOTS 144-153, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
355	002-303-32-01	LOTS 137-141, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
356	002-303-33-01	LOTS 124-129 & 132-135, BLOCK H	33	9	12		10/12/1995	95022535	1824	354	BOMBAY BEACH	Grant Deed
357	002-303-35-01	LOTS 119 TO 122, BLOCK H	33	9	12		2/20/1987	87-02510	1575	562	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
358	002-303-37-01	LOTS 113-117, BLOCK H	33	9	12		10/12/1995	95022535	1824	345	BOMBAY BEACH	Grant Deed
359	002-304-16-01	LOT 168, BLOCK H	33	9	12		11/4/1997	97024812	1910	231	BOMBAY BEACH	Grant Deed
360	002-304-20-01	LOTS 159 & 160, BLOCK H	33	9	12		8/12/1994	94019017	1779	911	BOMBAY BEACH	Quitclaim Deed
361	002-304-21-01	LOTS 161, 162 & 163, BLOCK H	33	9	12		2/20/1987	87-02513	1575	568	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
362	002-304-24-01	LOTS 157 & 158, BLOCK H	33	9	12		2/20/1987	87-02511	1575	564	BOMBAY BEACH	Tax Deed to Purchaser of Tax-Defaulted Property
363	002-310-02-01	ALL	5	10	11	641.42	3/7/1938	21	482	422		Deed
364	002-310-04-01	ALL	3	10	11	641.46	3/7/1938	21	482	422		Deed
365	002-310-06-01	ALL	1	10	11	640.80	3/7/1938	21	482	422		Deed
366	002-310-08-01	ALL	11	10	11	640	3/7/1938	21	482	422		Deed

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367	002-310-10-01	ALL	9	10	11	640	3/7/1938	21	482	422		Deed
368	002-310-12-01	ALL	7	10	11	643.58	3/7/1938	21	482	422		Deed
369	002-310-14-01	NW 1/4 & S 1/2	17	10	11	480	3/7/1938	21	482	422		Deed
370	002-310-15-01	NE 1/4	17	10	11	160	3/7/1938	21	482	422		Deed
371	002-310-17-01	ALL	15	10	11	640	3/7/1938	21	482	422		Deed
372	002-310-19-01	ALL	13	10	11	640	3/7/1938	21	482	422		Deed
373	002-320-02-01	ALL	5	10	12	641.86	3/7/1938	21	482	422		Deed
374	002-320-04-01	ALL	3	10	12	641.82	3/7/1938	21	482	422		Deed
375	002-320-06-01	ALL	1	10	12	641.18	3/7/1938	21	482	422		Deed
376	002-320-08-01	ALL	11	10	12	640	3/7/1938	21	482	422		Deed
377	002-320-10-01	ALL	9	10	12	640	3/7/1938	21	482	422		Deed
378	002-320-12-01	ALL	7	10	12	643.06	3/7/1938	21	482	422		Deed
379	002-320-14-01	ALL	17	10	11	640	3/7/1938	21	482	422		Deed
380	002-320-15-01	ALL	16	10	11	640	3/7/1962	50	1104	618		Deed
381	002-320-16-01	ALL	15	10	11	640	3/7/1938	21	482	422		Deed
382	002-320-18-01	N 1/2	13	10	11	320	3/7/1938	21	482	422		Deed
383	002-320-19-01	S 1/2	13	10	11	320	3/7/1938	21	482	422		Deed
384	002-330-05-01	ALL	23	10	11	640	3/7/1938	21	482	422		Deed
385	002-330-07-01	ALL	25	10	11	640	3/7/1938	21	482	422		Deed
386	002-330-09-01	ALL	27	10	11	640	3/7/1938	21	482	422		Deed
387	002-330-11-01	ALL	29	10	11	640	3/7/1938	21	482	422		Deed
388	002-330-16-01	ALL	33	10	11	640	3/7/1938	21	482	422		Deed
389	002-330-18-01	ALL	35	10	11	640	3/7/1938	21	482	422		Deed
390	002-330-20-01	W 1/2	21	10	11	320	3/7/1938	21	482	422		Deed
391	002-330-21-01	E 1/2	21	10	11	320	3/7/1938	21	482	422		Deed
392	002-340-01-01	ALL	19	10	12	643.21	3/7/1938	21	482	422		Deed
393	002-340-03-01	ALL	21	10	12	640	3/7/1938	21	482	422		Deed
394	002-340-05-01	ALL	23	10	12	640	3/7/1938	21	482	422		Deed
395	002-340-07-01	ALL	25	10	12	640	3/7/1938	21	482	422		Deed
396	002-340-09-01	ALL	27	10	12	640	3/7/1938	21	482	422		Deed
397	002-340-11-01	ALL	29	10	12	640	3/7/1938	21	482	422		Deed
398	002-340-13-01	ALL	31	10	12	646.94	3/7/1938	21	482	422		Deed
399	002-340-15-01	ALL	33	10	12	640	3/7/1938	21	482	422		Deed
400	002-340-17-01	ALL	35	10	12	640	3/7/1938	21	482	422		Deed
401	002-350-02-01	ALL	5	11	11	639	3/7/1938	21	482	422		Deed
402	002-350-04-01	ALL	3	11	11	638.24	3/7/1938	21	482	422		Deed

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	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
403	002-350-06-01	ALL	1	11	11	639.20	3/7/1938	21	482	422		Deed
404	002-350-08-01	ALL	11	11	11	640	3/7/1938	21	482	422		Deed
405	002-350-10-01	ALL	9	11	11	640	3/7/1938	21	482	422		Deed
406	002-350-25-01	ALL	15	11	11	640	3/7/1938	21	482	422		Deed
407	002-350-27-01	ALL	13	11	11	640	3/7/1938	21	482	422		Deed
408	002-350-31-01	N 1/2 OF NE 1/4 & SE 1/4 OF NE 1/4	7	11	11	120	3/7/1938	21	482	422		Deed
409	002-350-34-01	E 1/2 & NE 1/4 OF NW 1/4	17	11	11	360	3/7/1938	21	482	422		Deed
410	002-360-02-01	ALL	5	11	12	642.48	3/7/1938	21	482	422		Deed
411	002-360-04-01	ALL	3	11	12	641.74	3/7/1938	21	482	422		Deed
412	002-360-10-01	ALL	9	11	12	640	3/7/1938	21	482	422		Deed
413	002-360-12-01	ALL	7	11	12	647.82	3/7/1938	21	482	422		Deed
414	002-360-14-01	ALL	17	11	12	640	3/7/1938	21	482	422		Deed
415	002-370-09-01	ALL	27	11	11	640	3/7/1938	21	482	422		Deed
416	002-370-23-01	N 1/2 OF SE 1/4 & NE 1/4 OF SW 1/4 & SE 1/4 OF SE 1/4	33	11	11	160	3/7/1938	21	482	422		Deed
417	002-370-25-01	ALL	35	11	11	640	3/7/1938	21	482	422		Deed
418	002-380-07-01	ALL	25	11	12	640	3/7/1938	21	482	422		Deed
419	002-380-08-01	ALL	25	11	12	640	3/7/1938	21	482	422		Deed
420	002-380-13-01	ALL	31	11	12	651	3/7/1938	21	482	422		Deed
421	002-380-17-01	ALL	35	11	12	640	3/7/1938	21	482	422		Deed
422	002-540-02-01	ALL	5	9	11	640.86	3/7/1938	21	482	422		Deed
423	002-550-03-01	N 1/2 & SE 1/4	7	9	11	480.40	3/7/1938	21	482	422	REF ALSO PATENT REC: #30, 02/11/1977, 1397- 1576	Deed
424	002-560-01-01	ALL	9	9	11	640	3/7/1938	21	482	422		Deed
425	002-600-01-01	NW 1/4	16	9	11	160	8/11/1994	94018908	1779	606		Grant Deed
426	002-600-02-01	NE 1/4	16	9	11	160	1/12/1965	11	1199	246		Grant Deed
427	002-600-03-01	ALL	15	9	11	640	3/7/1938	21	482	422		Grant Deed
428	002-600-05-01	S 13-1/3 CHAINS OF N 26-2/3 CHAINS OF SE 1/4	16	9	11	53.33	5/24/1965	15	1207	662		Deed
429	002-600-06-01	SE 1/4, EXCEPT THE N 26-2/3 CHAINS	16	9	11	53.32	10/8/1964	17	1193	398		Grant Deed
430	002-600-07-01	S 1/2 OF SW 1/4	16	9	11	80	9/10/1993	93021868	1744	1292		Grant Deed
431	002-600-08-01	N 1/2 OF SW 1/4	16	9	11	80	3/7/1962	50	1104	618		Grant Deed
432	002-610-02-01	ALL	17	9	11	640	3/7/1938	21	482	422		Deed
433	002-630-01-01	ALL	31	9	12	643.32	3/7/1938	21	482	422		Deed
434	002-640-02-01	E 1/2	33	9	12	320	3/7/1938	21	482	422		Deed
435	002-650-01-01	ALL	35	9	12	640	3/7/1938	21	482	422		Deed
436	002-650-02-01	NW 1/4 OF NW 1/4	36	9	12	40	12/18/1941	304	579	441	REF ALSO: #39, 03/01/1961, 1072-268	Quitclaim Deed

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APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
437	002-650-03-01 SW 1/4 OF NW 1/4	36	9	12	40	12/18/1941	304	579	441		Quitclaim Deed
438	002-650-04-01 E 1/2 OF NW 1/4	36	9	12	80	12/18/1941	304	579	441		Quitclaim Deed
439	002-650-05-01 W 1/2 OF NE 1/4	36	9	12	80	12/18/1941	304	579	441		Quitclaim Deed
440	002-650-06-01 E 1/2 OF NE 1/4	36	9	12	80	12/18/1941	304	579	441	REF ALSO: #39, 03/01/1961, 1072-268	Quitclaim Deed
441	002-650-07-01 S 1/2	36	9	12	320	12/18/1941	304	579	441		Quitclaim Deed
442	003-030-15-01 LOT 6	31	9	13	48.03	3/7/1938	21	482	422		Deed
443	003-090-03-01 ALL	5	10	13	556.68	3/7/1938	21	482	422		Deed
444	003-090-05-01 ALL	7	10	13	640	3/7/1938	21	482	422		Deed
445	003-100-29-01 W 1/2; W 1/2 OF SE 1/4 & SE 1/4 OF SE 1/4	9	10	13	440	3/7/1938	21	482	422		Deed
446	003-180-02-01 ALL	17	10	13	640	3/7/1938	21	482	422		Deed
447	003-180-03-01 ALL	16	10	13	640	12/18/1941	304	579	441		Quitclaim Deed
448	003-180-04-01 ALL	21	10	13	640	3/7/1938	21	482	422		Deed
449	003-180-06-01 ALL	19	10	13	640	3/7/1938	21	482	422		Deed
450	003-190-01-01 W 1/2 OF SW 1/4 & SW 1/4 OF NW 1/4	15	10	13	120	12/18/1941	304	579	441		Quitclaim Deed
451	003-190-26-01 S 1/2; SW 1/4 OF NW 1/4; SW 1/4 OF NE 1/4	22	10	13	400	12/18/1941	304	579	441		Quitclaim Deed
452	003-190-29-01 E 1/2 OF NW 1/4 & NW 1/4 OF NW 1/4	22	10	13	120	12/18/1941	304	579	441	REF ALSO: #20, 01/23/1940, 540-488	Quitclaim Deed
453	003-200-33-01 TRIANGULAR PORTION IN THE NE CORNER OF NW 1/4, LYING IN EAST HIGHLINE CANAL	18	10	14	0.25	5/4/1973	52	1346	493		Deed
454	003-220-01-01 ALL	27	10	13	640	3/7/1938	21	482	422		Deed
455	003-220-16-01 W 1/2	35	10	13	320	3/7/1938	21	482	422		Deed
456	003-220-17-01 E 1/2	34	10	13	320	1/6/1936	112	417	212	REF ALSO: 02/19/1931, 301/96; #65, 08/09/1932, 348-369; #209, 04/16/1934, 375-429; #210, 04/16/1934, 375- 430	Collector's Deed & Conveyance of Real Estate
457	003-230-07-01 N 1/2 OF NW 1/4, EXCEPTING THAT PORTION LYING E OF THE EAST HIGHLINE CANAL	28	10	14	45	9/4/1990	90017752	1658	56		Grant Deed
458	003-330-02-01 ALL	29	10	13	640	3/7/1938	21	482	422		Grant Deed
459	003-330-04-01 NE 1/4	28	10	13	160	11/15/1940	11	560	194		Grant Deed
460	003-330-05-01 ALL	33	10	13	640	3/7/1938	21	482	422		Deed
461	003-330-07-01 ALL	31	10	13	640	3/7/1938	21	482	422		Deed
462	008-010-06-01 NE 1/4; NE 1/4 OF NW 1/4; NE 1/4 OF SE 1/4	5	10	10	240	3/7/1938	21	482	422		Deed
463	010-100-01-01 LOT 1, BLOCK 1					4/12/1991	91006555	1670	960	576-A	Grant Deed
464	010-100-03-01 LOT 3, BLOCK 1					4/12/1991	91006555	1670	962	576-A	Grant Deed
465	010-550-07-01 NE 1/4; N 1/2 OF SE 1/4; SE 1/4 OF SE 1/4	9	10	10	280	3/7/1938	21	482	422		Deed

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(IID IMPERIAL COUNTY)

APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
466 010-550-11-01	PART OF SECTION 9, 10-10, DAF: BEG AT SE 1/4 OF TRACT 576 (6-20), BEING A POINT IN THE ELY LINE OF SALTON BAY DRIVE 84 FEET WIDE; TH ELY ALG THE ELY PROLONGATION OF THE SLY LINE OF TRACT 576 TO THE SW COR OF PROPERTY CONVEYED TO ANNETTE SOUTHARD AND WALTER SOUTHARD REC 5/21/64 (1183/1196); TH N 20°08'00" W, 133.37 FT; TH S 69°52'00" W, 100 FT TO THE E LINE OF SALTON BAY DRIVE 96.19 FT TO THE POB	9	10	10	0.26	5/24/1999	99011542	1976	1222		Grant Deed
467 010-550-13-01	PART OF SECTION 9, 10-10, DAF: COMMENCING AT A PT IN ELY LINE OF TR 576 (6-20), DISTANCE THEREON N 20°08'00" W, 176.19' FROM MOST SELY COR OF TR 576, SD ELY LINE BEING ALSO ELY LINE OF SALTON BAY DR, 84.00' WIDE; TH N 69°52'00" E, 100'; TH N 35°03'47" E, 91.34'; TH N 89°44'25" W, 498.69' TO A PT IN ELY LINE 507.37' TO THE TRUE POB; TH S 88°00'00" W, 355.65 FT; TH N 4°00'00" W, 129.71' TO A PT ON SLY LINE OF FLAMINGO PLACE, SD PT BEING ON A CURVE CONCAVE TO THE NW AND HAVING A RADIUS OF 70', A RADIAL LINE WHICH PASSES THROUGH SD PT HAVING A BEARING OF N 4°00'00" W, TH ELY ALG SD LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 64°37'17" AND AN ARC DIST OF 78.95' TO THE INTERSECTION OF THE ELY LINE OF FLAMINGO AVE, 60' WIDE, AND THE ELY PROLONGATION OF THE C/L OF FLAMINGO PLACE, 60' WIDE, BOTH AS SHOWN ON MAP OF TR 576; TH ALG SD PROLONGATION N 88°00'00" E, 302.45' TO A PT IN SD ELY LINE OF THE W 1/2 OF SD SEC 9; TH SLY ALG SD ELY LINE S 0°36'42" E, 170 FT TO THE TRUE POB; AND PART OF SECTION 9, 10-10, DAF: COMMENCING AT A PT IN ELY LINE OF TRACT 576 (6-20), DISTANT THEREON N 20°08'00" W, 176.19' FROM THE MOST SELY COR OF SD TR 576, SD ELY BEING ALSO THE ELY LINE OF SALTON BAY DRIVE, 84.00' WIDE; TH N 69°52'00" E, 100'; TH N 35°03'47" E, 91.34'; TH N 89°44'25" W, 498.59' TO A PT IN THE ELY LINE OF W 1/2 OF SECTION 9; TH N 0°36'42" W, ALG SD ELY LINE, 507.37'; TH S 88°00'00" W, 355.65' TO THE TRUE P.O.B.; TH S 88°00'00" W, 488.25' TO A PT ON THE ELY LINE OF SALTON BAY DRIVE, SD PT BEING ON A CURVE CONCAVE TO THE E AND HAVING A RADIUS OF 950'; TH NLY ALG SD CURVE THROUGH A CENTRAL ANGLE OF 01°14'56" AND AN ARC DISTANCE OF 20.71 FT; TH TANGENT TO SD LAST MENTIONED CURVE N 15°52'34" W, 85.14' TO THE BEG OF A TANGENT CURVE CONCAVE TO THE SE AND HAVING A RADIUS OF 30'; TH NLY & ELY ALG SD TANGENT CURVE THROUGH A CENTRAL ANGLE OF 101°52'34" AND AN ARC DISTANCE OF 53.34' TO THE SLY LINE OF FLAMINGO PLACE, 600' WIDE; TH ELY ALG SD SLY LINE N 86°00'00" E, 432.94' TO THE BEG OF A TANGENT CURVE CONCAVE TO THE S AND HAVING A	9	10	10	2.85	7/31/1998	98017536	1940	727		Grant Deed

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(IID IMPERIAL COUNTY)

APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
	RADIUS OF 50'; TH ELY ALG SD TANGENT CURVE THROUGH A CENTRAL ANGLE OF 23°33'23" AND AN ARC DISTANCE OF 20.58' TO THE BEG OF A REVERSING CURVE CONCAVE TO THE NE AND HAVING A RADIUS OF 70'; TH ELY ALG SD REVERSING CURVE THROUGH A CENTRAL ANGLE OF 23°33'23" AND AN ARC DISTANCE OF 28.78' TO A PT, SD PT LY N 04°00'00" W FROM THE TRUE POB; TH S 04°00'00" E, 129.71' TO THE TRUE POB										
468 010-550-16-01	PART OF SECTION 9, 10-10, D.A.F.: BEG AT A PT IN ELY LI OF TR 576 (6-20), DISTANT THEREON N 20°08'00" W, 96.19 FT FROM THE MOST SLY CORNER OF SD TR, SD ELY LI BEING ALSO THE ELY LI OF SALTON BAY DRIVE, 84 FT WIDE; TH CONTINUING ALG SD ELY LI N 20°08'00" W, 80 FT; TH LEAVING SD ELY LI N 69°52'00" E, 100 FT; TH N 35°03'47" E, 91.34 FT; TH S 89°44'24" E, 498.69 FT TO A PT IN THE ELY LI OF W 1/2 OF SD SEC 9; TH S 0°36'42" E ALG SD LAST MENTIONED ELY LI, 275.03 FT TO A PT IN THE ELY PROLONGATION OF THE MOST SLY LI OF SD TR 576; TH ALG SD ELY PROLONGATION N 89°44'25" W, 480.65 FT; TH N 20°08'00" W, 133.37 FT; TH S 09°52'W, 100 FT TO THE P.O.B. (3.46 AC); AND PART OF SECTION 9, 10-10, D.A.F: BEG AT A PT AT THE MOST SELY CORNER OF TRACT 576 (6-20); TH N 20°03'00" W, 176.19 FT ALG THE ELY LI OF TR 576, SD ELY LI ALSO BEING THE ELY LI OF SALTON BAY DRIVE, 84 FT WIDE, AS SHOWN ON SD MAP OF TR 576; TH N 69°52'00" E, 28.30 FT TO THE TRUE P.O.B.; TH CONTINUING N 69°52'00" E, 45 FT; TH N 20°08'00" W, 198.14 FT; TH S 69°52'00" W, 45 FT; TH S 20°08'00" E, 198.14 FT TO THE TRUE P.O.B. (0.20 AC)	9	10	10	3.66	5/24/1999	99011542	1976	1222		Grant Deed

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(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
469	010-550-19-01	PART OF SECTION 9, 10-10, DAF: BEG AT THE C/L OF INTERSECTION OF FLAMINGO AVENUE AND THE ALLEY BETWEEN YACHT CLUB DRIVE AND FLAMINGO PLACE PER TRACT 576 (6-20); TH N 86°00'00" E, ON A PROLONGATION OF THE C/L OF SD ALLEY 120.20'; TH N 04°00'00" W, 69.50' TO THE TRUE P.O.B., THE TRUE P.O.B. BEING THE MOST SLY COR OF THIS DESCRIBED PARCEL; TH N 75°30'00" E, 116'; TH N 14°30'00" W, 92'; TH S 75°30'00" W, 116'; TH S 14°30'00" E, 92' TO THE TRUE POB	9	10	10	0.24	7/31/1998	98017536	1940	727		Grant Deed
470	010-550-20-01	PART OF THE W 1/2, SECTION 9, 10-10, DAF: BEG AT THE C/L INTERSECTION OF YACHT CLUB DRIVE AND FLAMINGO AVENUE PER TRACT 576 (8-20); TH N 86°00'00" E, 30' TO THE TRUE POB SD TRUE P.O.B. BEING ON THE ELY R/W LI OF SD FLAMINGO AVENUE; TH S 04°00'00" E, 37.81 FT TO THE BEG OF THE TANGENT CURVE CONCAVE TO THE NE AND HAVING A RADIUS OF 270'; TH SLY ALG SD LAST CURVE THROUGH A CENTRAL ANGLE OF 04°05'27" AND AN ARC DIST OF 19.28' TO A PT WHICH HAS A RADIAL BEARING OF N 81°54'33" E; TH NON-RADIAL TO SD LAST CURVE N 75°30'00" E, 163.21'; TH S 14°30'00" E, 82' TO A PT ON THE N LI OF THE CERTAIN PARCEL OF LAND CONVEYED TO SALTON BAY YACHT CLUB MOTOR HOTEL, A GENERAL PARTNERSHIP BY DEED REC 9-13-65 IN BK 1214, PG 906, O.R.; TH N 75°30'00" E ALG SD N LI OF THAT CERTAIN PARCEL CONVEYED BY DEED REC IN BK 1214, PG 906, O.R. AND ITS ELY EXT 225.63' TO THE NORTH-SOUTH C/L OF SD SEC 9; TH N 00°36'42" W, 478.79' ALG SD C/L TO THE SE COR OF LOT 1, BLK 2, TRACT 576A (7-17), SD COR ALSO BEING A PT ON A CURVE CONCAVE TO THE SE AND HAVING A RADIUS OF 130'; TH SWLY ALG THE S LI OF SD LOT 1, BLK 2, TRACT 576A, THROUGH A CENTRAL ANGLE OF 21°30'00" AND AN ARC DIST OF 48.78'; TH TANGENT S 29°00'00" W, 63.81' TO THE BEG OF A TANGENT CURVE CONCAVE TO THE NW AND HAVING A RADIUS OF 100'; TH SWLY ALG SD CURVE THROUGH A CENTRAL ANGLE OF 61°15'35" AND AN ARC DIST OF 106.92'; TH TANGENT N 89°44'25" W, 306.78'; TH S 30°00'00" W, 16.89' TO A PT ON A RADIAL CURVE CONCAVE TO THE SW AND HAVING A RADIUS OF 110'; SD PT ALSO BEING ON THE NELY R/W LI OF FLAMINGO AVENUE OF SD TR 576A; TH SELY ALG SD CURVE THROUGH A CENTRAL ANGLE OF 58°00'00" AND AN ARC DIST OF 107.51 FT; TH TANGENT S 04°00'00" E, 195.43' TO THE TRUE POB	9	10	10	3.52	7/31/1998	98017536	1940	727		Grant Deed



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(IID IMPERIAL COUNTY)

APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
471 010-550-21-01	<p>PART OF SECTION 9, 10-10, DAF: COMMENCING AT A PT IN ELY LINE OF TR 576 (6-20), DISTANCE THEREON N 20°08'00" W, 176.19' FROM MOST SELY COR OF TR 576, SD ELY LINE BEING ALSO ELY LINE OF SALTON BAY DR, 84.00' WIDE; TH N 69°52'00" E, 100'; TH N 35°03'47" E, 91.34'; TH N 89°44'25" W, 498.69' TO A PT IN ELY LINE 507.37' TO THE TRUE POB; TH S 86°00'00" W, 355.65 FT; TH N 4°00'00" W, 129.71' TO A PT ON SLY LINE OF FLAMINGO PLACE, SD PT BEING ON A CURVE CONCAVE TO THE NW AND HAVING A RADIUS OF 70'; A RADIAL LINE WHICH PASSES THROUGH SD PT HAVING A BEARING OF N 4°00'00" W, TH ELY ALG SD LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 64°37'17" AND AN ARC DIST OF 78.95' TO THE INTERSECTION OF THE ELY LINE OF FLAMINGO AVE, 60' WIDE, AND THE ELY PROLONGATION OF THE C/L OF FLAMINGO PLACE, 60' WIDE, BOTH AS SHOWN ON MAP OF TR 576; TH ALG SD PROLONGATION N 86°00'00" E, 302.45' TO A PT IN SD ELY LINE OF THE W 1/2 OF SD SEC 9; TH SLY ALG SD ELY LINE S 0°36'42" E, 170 FT TO THE TRUE POB; AND PART OF SECTION 9, 10-10, DAF: COMMENCING AT A PT IN ELY LINE OF TRACT 576 (6-20), DISTANT THEREON N 20°08'00" W, 176.19' FROM THE MOST SELY COR OF SD TR 576, SD ELY BEING ALSO THE ELY LINE OF SALTON BAY DRIVE, 84.00' WIDE; TH N 69°52'00" E, 100'; TH N 35°03'47" E, 91.34'; TH N 89°44'25" W, 498.59' TO A PT IN THE ELY LINE OF W 1/2 OF SECTION 9; TH N 0°36'42" W, ALG SD ELY LINE, 507.37'; TH S 86°00'00" W, 355.65' TO THE TRUE P.O.B.; TH S 86°00'00" W, 488.25' TO A PT ON THE ELY LINE OF SALTON BAY DRIVE, SD PT BEING ON A CURVE CONCAVE TO THE E AND HAVING A RADIUS OF 950'; TH NLY ALG SD CURVE THROUGH A CENTRAL ANGLE OF 01°14'56" AND AN ARC DISTANCE OF 20.71 FT; TH TANGENT TO SD LAST MENTIONED CURVE N 15°52'34" W, 85.14' TO THE BEG OF A TANGENT CURVE CONCAVE TO THE SE AND HAVING A RADIUS OF 30'; TH NLY &amp; ELY ALG SD TANGENT CURVE THROUGH A CENTRAL ANGLE OF 101°52'34" AND AN ARC DISTANCE OF 53.34' TO THE SLY LINE OF FLAMINGO PLACE, 600' WIDE; TH ELY ALG SD SLY LINE N 86°00'00" E, 432.94' TO THE BEG OF A TANGENT CURVE CONCAVE TO THE S AND HAVING A RADIUS OF 50'; TH ELY ALG SD TANGENT CURVE THROUGH A CENTRAL ANGLE OF 23°33'23" AND AN ARC DISTANCE OF 20.58' TO THE BEG OF A REVERSING CURVE CONCAVE TO THE NE AND HAVING A RADIUS OF 70'; TH ELY ALG SD REVERSING CURVE THROUGH A CENTRAL ANGLE OF 23°33'23" AND AN ARC DISTANCE OF 28.78' TO A PT, SD PT LY N 04°00'00" W FROM THE TRUE POB; TH S 04°00'00" E, 129.71' TO THE TRUE POB</p>	9	10	10	3.34	7/31/1998	98017536	1940	727		Grant Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
472	010-550-22-01	PART OF SECTION 9, 10-10, DAF: COMM AT A PT IN THE ELY LINE OF TR 576 (6-20), DISTANCE THEREON N 20°08'00" W, 176.19' FROM THE MOST SELY COR OF SD TR 576, SD ELY LINE BEING ALSO THE ELY LINE OF SALTON BAY DRIVE, 84.00' WIDE; TH N 69°52'00" E, 100' TO A PT; TH N 35°03'47" E, 91.34' TO A PT; TH N 89°44'25" E, 498.89' TO A PT IN THE ELY LINE OF W 1/2 OF HEREIN DESCRIBED SEC 9; TH N 0°36'42" W ALG SD ELY LINE, 257.37' TO THE TRUE P.O.B.; TH CONT N 0°36'42" W ALG SD ELY LINE, 250' TO A PT; TH S 86°00'00" W, 843.90' TO A PT ON ELY LINE OF HEREIN BEFORE DESCRIBED SALTON BAY DRIVE, AT SD PT BEING ON A CURVE CONCAVE TO THE E AND HAVING A RADIUS OF 950'; TH SLY ALG SD CURVE THROUGH A CENTRAL ANGLE OF 03°00'30" AN ARC DIST OF 49.88' TO A PT; TH TANGENT TO SD CURVE AND ALG THE ELY LINE OF SALTON BAY DRIVE S 20°08'00" E, TO A PT DUE W OF THE POB; TH DUE E TO THE POB	9	10	10	4.60	7/31/1998	98017536	1940	727		Grant Deed
473	010-564-02-01	LOT 1, BLOCK 1, EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITH LOT 'A' OF SD BLOCK 1	9	10	10	7.27	8/9/1996	96018928	1858	101	TRACT 578 (7-75)	Grant Deed
474	010-566-04-01	LOT 1, BLOCK 4	9	10	10	15	1/31/2002	2002-02840	2104	1461	TRACT 578 (7-75); ALSO REF: #98022101, 09/21/1998, 1946-1778	Quitclaim Deed & Grant Deed
475	010-566-05-01	LOT 2, BLOCK 4	9	10	10	7.35	1/31/2002	2002-02840	2104	1461		
476	010-566-06-01	LOT 2, BLOCK 2, AND THAT PORTION OF LOT 3, BLOCK 2, TRACT 578 (7-75), DAF: BEGINNING AT THE NW CORNER OF SAID LOT 3; THENCE S 58°00'00" E, ALONG THE SOUTHWESTERLY LINE OF LOT 3, A DISTANCE OF 168 FEET; THENCE NORTHERLY TO A POINT IN THE SOUTHERLY LINE OF SALTON BAY DRIVE AS SHOWN ON SAID MAP; DISTANT 151 FEET MEASURED EASTERLY ALONG THE SOUTHERLY LINE OF SAID DRIVE; THENCE WESTERLY ALONG SAID DRIVE 151 FEET TO THE POINT OF BEGINNING	9	10	10	4.04	11/8/1994	94027283	1789	5	TRACT 578 (7-75)	Grant Deed
477	010-566-07-01	PART OF LOT 3, BLOCK 2, TRACT 578 (7-75), EXCEPTING THAT PORTION DAF: BEGINNING AT THE NW CORNER OF SAID LOT 3; THENCE S 58°00'00" E, ALONG THE SOUTHWESTERLY LINE OF LOT 3, A DISTANCE OF 168 FEET; THENCE NORTHERLY TO A POINT IN THE SOUTHERLY LINE OF SALTON BAY DRIVE AS SHOWN ON SAID MAP; DISTANT 151 FEET MEASURED EASTERLY ALONG THE SOUTHERLY LINE OF SAID DRIVE; THENCE WESTERLY ALONG SAID DRIVE 151 FEET TO THE POINT OF BEGINNING	9	10	10	3.48	11/8/1994	94027283	1789	5	TRACT 578 (7-75)	Grant Deed

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478	010-567-01-01	LOT 1, BLOCK 3	9	10	10		11/8/1994	94027283	1789	5	TRACT 578 (7-75)	Grant Deed
479	013-151-07-01	LOT 7, BLOCK 1	16	10	10		11/6/1997	97025040	1910	762	TRACT 559 (7-67)	Grant Deed
480	014-073-01-01	LOT 4, BLOCK 10					2/11/1959	57	1015	477	TRACT 565 (4-69)	Corporation Grant Deed
481	017-130-01-01	ALL	3	10	10	640	3/7/1938	21	482	422		Deed
482	017-130-03-01	ALL	1	10	10	640	3/7/1938	21	482	422		Deed
483	017-130-05-01	ALL	11	10	10	640	3/7/1938	21	482	422		Deed
484	017-140-01-01	NE 1/4 & N 1/2 OF NW 1/4	15	10	10	240	3/7/1938	21	482	422		Deed
485	017-140-08-01	NE 1/4 & NE 1/4 OF NW 1/4	23	10	10	200	3/7/1938	21	482	422		Deed
486	017-140-25-01	PT LYING SELY OF TRACT 744 (10-5) AND TRACT 585-A (7-69), AND TRACT 742 (10-1), AND LYING ELY OF LAND CONVEYED TO SALTON COMMUNITY SERVICES DISTRICT RECORDED 7-9-82 IN BK 1115, PG 471, AND LYING SELY OF SELY BNDY OF PARCEL 2 OF PARCEL MAP M-1748 (7-28)	22	10	10	366	8/8/1998	98019070	1942	1248		Final Order of Condemnation
487	018-010-29-01	THAT PORTION OF THE SE 1/4, DAF: BEG AT THE INTERSECTION OF THE EAST LINE OF SEC 13, WITH THE SOUTH RIGHT-OF-WAY LINE OF STATE HWY 78, AS SHOWN ON LS MAP (4-39); THENCE ALONG SAID STATE HWY RIGHT-OF-WAY, WEST 248.70 FEET; THENCE S 0°50'30" E, 208.70 FEET; THENCE EAST PARALLEL TO THE SOUTH RIGHT-OF-WAY OF STATE HWY 78, 248.70 FEET TO THE EAST LINE OF SAID SECTION 13; THENCE N 0°50'30" W, 208.70 FEET TO THE POINT OF BEGINNING; EXCEPTING THEREFROM THE EAST 40 FEET THEREOF	13	12	9	1	4/4/1960	4	1047	201		Grant Deed
488	019-020-01-01	N 1/2	3	12	11	321.80	3/7/1938	21	482	422		Deed
489	019-020-06-01	ALL	1	12	11	642.14	3/7/1938	21	482	422		Deed
490	019-020-12-01	PARCELS IID-A, IID-B & IID-C, PARCEL MAP M-2233 (11-12)	3	12	11	3.40	1/5/2001	2001-00230	2041	418		Grant Deed
491	019-020-23-01	PARCELS IID-E, IID-F & IID-G, PARCEL MAP M-2233 (11-12)	11	12	11	70.72	1/5/2001	2001-00230	2041	418		Grant Deed
492	019-030-02-01	ALL	5	12	12	643.48	3/7/1938	21	482	422		Deed
493	019-030-04-01	ALL	9	12	12	640	3/7/1938	21	482	422		Deed
494	019-030-06-01	ALL	7	12	12	652.94	3/7/1938	21	482	422		Deed
495	019-040-01-01	ALL	3	12	12	644.36	3/7/1938	21	482	422		Deed
496	019-040-03-01	SE 1/4	2	12	12	160	5/4/1973	52	1346	493		Deed
497	019-040-04-01	ALL	1	12	12	643.64	3/7/1938	21	482	422		Deed
498	019-040-05-01	NE 1/4	12	12	12	160	1/6/1936	92 - 95	417	192 - 195		Collector's Deed

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	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
499	019-040-06-01	SE 1/4	12	12	12	160	3/25/1938	13	485	65	ALSO REF: #97, 01/06/1936, 417-197; #99, 01/06/1936, 417-198; #25 & #26, 01/15/1936, 417- 273 & 274;	Quitclaim Deed & Collector's Deed
500	019-040-07-01	SW 1/4	12	12	12	160	3/25/1938	13	485	65	ALSO REF: #96, 01/06/1936, 417-196; #98, 01/06/1936, 417-198; #25, 01/15/1936, 417-273	Quitclaim Deed & Collector's Deed
501	019-040-08-01	NW 1/4	12	12	12	160	1/6/1936	88 - 91	416	165 - 168		Collector's Deed & Conveyance of Real Estate Deed
502	019-040-09-01	ALL	11	12	12	640	3/7/1938	21	482	422		Deed
503	019-040-10-01	SE 1/4	10	12	12	160	5/4/1973	52	1346	493	ALSO REF: #4, 07/29/53	Deed
504	019-040-11-01	SW 1/4	10	12	12	160	5/14/1932	153	348	15	#33 #34, #35 & #36, 04/16/1934, 375-253, 254, 255 & 256	Conveyance of Real Estate
505	019-060-07-01	PORTION SW 1/4 SEC 17, 12-11 DAF; BEGINNING AT A 6- INCH CONCRETE MONUMENT ON THE WEST LINE OF SAID SECTION 17, DISTANT THEREON S 1°28' E, 50.02 FEET FROM THE NW CORNER OF SAID SW 1/4; THENCE ALONG A LINE PARALLEL WITH AND DISTANT 50 FEET SOUTH OF THE NORTH LINE OF SAID SW 1/4, S 89°56'10" E, 75.00 FEET; THENCE S 1°28' E, 75.00 FEET; THENCE N 89°56'10" W, 75.00 FEET TO SAID WEST LINE N 1°28' W, 75.00 FEET TO THE P.O.B.	17	12	11	0.129	11/10/1949	45	762	555		Director's Deed
506	019-070-03-01	N 1/2	13	12	11	220	3/1/1946	30	653	239		Grant Deed
507	019-070-38-01	PARCELS IID-H & IID-I, PARCEL MAP M-2233 (11-12)	13	12	11	64.26	1/5/2001	230	2041	418		Grant Deed
508	019-080-01-01	LOTS 3 & 4 & E 1/2 NW 1/4; LOTS 5 & 6 & E 1/2 SW 1/4; SE 1/4; (NO DEED ON FILE FOR NE 1/4)	18	12	12	655	5/3/1937	27	456	116	ALSO REF: #29, 01/19/1938, 480-352	Bargain and Sale Deed & Grant Deed Deed
509	019-080-02-01	ALL	17	12	12	640	5/7/1938	21	482	422		Grant Deed & Collector's Deed
510	019-080-03-01	W 1/2	16	12	12	320	5/14/1937	9	454	570	ALSO REF: #38, 02/04/1938, 479-511	Grant Deed & Collector's Deed
511	019-080-04-01	NW 1/4 OF NE 1/4	16	12	12	40	5/14/1937	9	454	570	ALSO REF: #44, 02/04/1938, 479-514	Grant Deed & Collector's Deed
512	019-080-05-01	NE 1/4 OF NE 1/4	16	12	12	40	5/4/1939	19	521	520		Grant Deed
513	019-080-06-01	S 1/2 OF NE 1/4 (aka SE 1/4 OF NE 1/4 & SW 1/4 OF NE 1/4)	16	12	12	80	5/14/1937	9	454	570	ALSO REF: #39-40, 02/04/1938, 511-512; #42, 02/04/1938, 479/513	Grant Deed & Collector's Deed
514	019-080-08-01	ALL	21	12	12	640	5/7/1938	21	482	422		Deed

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515	019-080-10-01	SW 1/4; NW 1/4	20	12	12	320	3/23/1936	27	419	571	ALSO REF: #24, 03/21/1939, 517-469	Grant Deed & Quitclaim Deed
516	019-080-11-01	N 1/2 & N 1/2 OF SW 1/4 & SE 1/4	19	12	12	570.54	5/7/1938	21	482	422		Deed
517	019-090-01-01	ALL	15	12	12	640	3/7/1938	21	482	422		Deed
518	019-090-03-01	N 1/2	14	12	12	320	11/5/1937	26	472	556		Grant Deed
519	019-090-04-01	SE 1/4	14	12	12	160	11/26/1938	15	506	17		Deed
520	019-090-07-01	N 1/2 & ALL THAT PART OF THE S 1/2, LYING N OF NEW RIVER	24	12	12	520.83	1/3/1990	90-00187	1639	1467		Individual Grant Deed
521	019-090-08-01	PART OF S 1/2, LYING S OF N BANK OF NEW RIVER	24	12	12	49	11/12/1958	85	1008	380	ALSO REF: #21, 11/26/1935, 415-29; #40, 12/11/1945, 651-191	Deed & Grant Deed & Quitclaim Deed
522	019-090-09-01	PART OF S 1/2, LYING S OF N BANK OF NEW RIVER	24	12	12	55	11/12/1958	85	1008	380	ALSO REF: #21, 11/26/1935, 415-29; #40, 12/11/1945, 651-191	Deed & Grant Deed & Quitclaim Deed
523	019-090-10-01	ALL	23	12	12	640	3/7/1938	21	482	422		Deed
524	019-090-11-01	NE 1/4	22	12	12	154	5/4/1973	52	1346	493	ALSO REF: #26, 7/20/46	Deed
525	019-090-12-01	SW 1/4 & SE 1/4, LYING BELOW THE -230 CONTOUR	22	12	12	320	5/28/1937	21	455	579	ALSO REF: #12, 05/18/1938, 492-206	Quitclaim Deed
526	019-090-14-01	N 1/2, SW 1/4 & W 1/2 OF SE 1/4 (aka PARCEL 1 OF COC LLA #128)	13	12	12	562.88	3/7/1938	21	482	422	ALSO REF: COC LLA #00128, #99026002, 12/02/1999, 1998/544	Deed & COC LLA
527	019-140-04-01	NE 1/4 OF NE 1/4	30	12	12	39.1	6/20/1995	95013129	1811	1081		Grant Deed
528	019-170-01-01	N 1/2	29	12	12	320	5/7/1938	21	482	422		Deed
529	019-170-05-01	NE 1/4 OF NE 1/4; SE 1/4 OF NE 1/4	28	12	12	80	1/6/1936	47-48	416	124-125		Collector's Deed
530	019-170-06-01	NE 1/4 OF SE 1/4; SE 1/4 OF SE 1/4	28	12	12	80	1/6/1936	49-50	416	126-127		Collector's Deed
531	019-170-07-01	W 1/2 OF SE 1/4	28	12	12	80	10/27/1976	164	1393	1312	ALSO REF: #39, 12/05/1941, 10A-171	Deed & Collector's Deed
532	019-170-12-01	E 1/2 OF SW 1/4	28	12	12	80	12/5/1941	40	10-A	172		Collector's Deed
533	019-180-01-01	ALL	27	12	12	640	5/3/1937	21	482	422		Deed
534	019-180-02-01	W 1/2 OF NW 1/4	26	12	12	80	5/14/1936	21	429	199		Grant Deed
535	019-180-03-01	E 1/2 OF NW 1/4; N 1/2 OF SW 1/4	26	12	12	160	4/16/1934	55-57	375	275-277	ALSO REF: #40, 06/17/1948	Conveyance of Real Estate (#55-57) & Quiet Title Action (#40)
536	019-180-08-01	NE 1/4	26	12	12	120	1/6/1936	-	416	156		Collector's Deed
537	019-180-17-01	SE 1/4	34	12	12	160	12/17/1940	164 & 168	5-A	237 & 241		Collector's Deed
538	019-180-19-01	S 1/2 OF N 1/2	34	12	12	160	1/6/1936	74	416	151		Collector's Deed

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539 019-180-20-01	N 1/2 OF N 1/2	34	12	12	160	1/6/1936	74	416	151		Collector's Deed
540 019-180-21-01	W 1/2 OF SE 1/4	26	12	12	80	3/6/1997	97005785	1881	1391		Grant Deed
541 020-010-04-01	ALL	3	11	13	644.6	3/7/1938	21	482	422		Deed
542 020-010-12-01	ALL, EXCEPT E 1/2 OF SE 1/4	11	11	13	560	3/7/1938	21	482	422		Deed
543 020-010-13-01	E 1/2 OF SE 1/4	11	11	13	80	3/7/1938	21	482	422		Deed
544 020-010-15-01	E 1/2 OF SE 1/4	10	11	13	80	12/5/1936	20	447	111		QuitclaimDeed
545 020-010-16-01	NE 1/4	10	11	13	160	12/5/1936	21	445	474		QuitclaimDeed
546 020-010-17-01	SW 1/4; W 1/2 OF SE 1/4; NE 1/4 OF NW 1/4; SE 1/4 OF NW 1/4; NW 1/4 OF NW 1/4	10	11	13	360	3/29/1944	10	616	331	ALSO REF: #1, 08/09/1953, 865-200; # 65-70, 2-4-38, 479-527	Grant Deed & Collector's Deed
547 020-010-20-01	ALL	9	11	13	640	3/7/1938	21	482	422		Deed
548 020-010-24-01	S 1/2	17	11	13	320	3/7/1938	21	482	422		Deed
549 020-010-25-01	N 1/2	17	11	13	320	3/7/1938	21	482	422		Deed
550 020-010-26-01	ALL	15	11	13	640	3/7/1938	21	482	422		Deed
551 020-010-28-01	NW 1/4; SW 1/4	14	11	13	320	10/17/1936	15 & 16	442 & 443	242 & 258	ALSO REF: #71, 04/10/1940, 2A-399	Grant Deed & Collector's Deed
552 020-010-29-01	NE 1/4; SE 1/4, EXCEPTING SE 1/4 OF SE 1/4	14	11	13	280	4/16/1934	164 & 165	375	384 & 385		Conveyance of Real Estate
553 020-010-36-01	NW 1/4	16	11	13	160	5/4/1973	52	1346	493		Deed
554 020-010-37-01	NW 1/4 OF SW 1/4; W 1/2 OF SW 1/4 OF SW 1/4	16	11	13	60	2/19/1931	102	301	65	ALSO REF: #159, 04/16/1934, 375-379	Conveyance of Real Estate
555 020-010-38-01	NW 1/4 OF NE 1/4; SW 1/4 OF NE 1/4; NW 1/4 OF SE 1/4; NE 1/4 OF SW 1/4; SE 1/4 OF SW 1/4; E 1/2 OF SW 1/4 OF SW 1/4	16	11	13	220	4/16/1934	161	375	381	ALSO REF: #160, 04/16/1934, 375-380; #152-153, 04/16/1934, 375/372-373; #155, 04/16/1934, 375-375; #146, 04/16/1934, 375-366	Conveyance of Real Estate
556 020-010-39-01	NE 1/4 OF SE 1/4; S 1/2 OF SE 1/4	16	11	13	120	5/4/1973	52	1346	493		Deed
557 020-010-40-01	E 1/2 OF NE 1/4	18	11	13	80	3/7/1962	50	1104	618		Patent & Deed
558 020-020-02-01	NE 1/4 OF NW 1/4;	2	11	13	25	4/16/1934	192	375	412		Conveyance of Real Estate
559 020-030-03-01	E 1/2 OF NE 1/4 OF NW 1/4 OF NE 1/4 OF NE 1/4; W 1/2 OF NE 1/4 OF NW 1/4 OF NE 1/4 OF NE 1/4; E 1/2 OF NW 1/4 OF NW 1/4 OF NE 1/4 OF NE 1/4 (ARB LOTS 5, 6 & 7)	2	11	13	3.75	3/9/1987	87-3465	1567	822		Tax Deed To Purchaser of Real Property
560 020-030-09-01	E 1/2 OF SW 1/4 OF NE 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 30)	2	11	13	1.25	12/18/1979	83	1444	1559		Deed
561 020-030-11-01	E 1/2 OF SE 1/4 OF NW 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 28)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
562 020-030-14-01	W 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 OF NE 1/4 (ARB	2	11	13	1.25	5/4/1973	52	1346	493		Deed

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	LOT 40)										
563 020-030-15-01	E 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 39)	2	11	13	1.25	9/30/1974	39	1367	1168		Deed
564 020-030-17-01	E 1/2 OF NE 1/4 OF SW 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 37)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
565 020-030-18-01	W 1/2 OF NW 1/4 OF SE 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 36)	2	11	13	1.25	2/29/1984	69	1517	1147		Tax Deed To Purchaser of Real Property
566 020-030-19-01	E 1/2 OF NW 1/4 OF SE 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 35)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
567 020-030-22-01	W 1/2 OF SW 1/4 OF SE 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 61)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
568 020-030-25-01	E 1/2 OF SW 1/4 OF SW 1/4 OF NE 1/4 OF NE 1/4; E 1/2 OF NW 1/4 OF NW 1/4 OF SE 1/4 OF NE 1/4 & W 1/2 OF NW 1/4 OF NW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOTS 58, 71 & 72)	2	11	13	3.75	5/4/1973	52	1346	493		Deed
569 020-030-26-01	W 1/2 OF SW 1/4 OF SW 1/4 OF NE 1/4 OF NE 1/4 (ARB LOT 57)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
570 020-030-29-01	W 3/5 OF S 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOTS 83, 84 & 85)	2	11	13	3	7/20/2001	0116405	2071	1186		Grant Deed
571 020-030-30-01	W 1/2 OF NE 1/4 OF NW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 70)	2	11	13	1.25	3/19/1990	90-4858	1644	745		Tax Deed To Purchaser of Real Property
572 020-030-32-01	W 1/2 OF NW 1/4 OF NE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 68)	2	11	13	1.25	5/4/1973	90-4858	1346	493		Deed
573 020-030-33-01	E 1/2 OF NW 1/4 OF NE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 67)	2	11	13	1.25	9/30/1974	39	1367	1168		Tax Collector Deed
574 020-030-34-01	NE 1/4 OF NE 1/4 OF SE 1/4 OF NE 1/4 & E 1/2 OF SE 1/4 OF NE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOTS 65, 66 & 99)	2	11	13	3.75	5/4/1973	52	1346	493		Deed
575 020-030-37-01	W 1/2 OF SE 1/4 OF NW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 94)	2	11	13	1.25	9/30/1974	39	1367	1168		Tax Collector Deed
576 020-030-48-01	E 1/2 OF NE 1/4 OF SW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 104)	2	11	13	1.25	3/9/1987	873466	1576	824		Tax Deed To Purchaser of Real Property
577 020-030-52-01	E 1/2 OF SE 1/4 OF SE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 131)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
578 020-030-53-01	W 1/2 OF SE 1/4 OF SE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 130)	2	11	13	1.25	12/18/1979	82	1444	1556		Tax Collector Deed
579 020-030-55-01	W 1/2 OF SW 1/4 OF SE 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 128)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
580 020-030-57-01	W 1/2 OF SE 1/4 OF SW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 126)	2	11	13	1.25	5/4/1973	52	1346	493		Deed

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	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
581	020-030-58-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 125)	2	11	13	1.25	2/6/1985	28	1535	1581		Tax Deed To Purchaser of Real Property
582	020-030-59-01	W 1/2 OF SW 1/4 OF SW 1/4 OF SE 1/4 OF NE 1/4 (ARB LOT 124)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
583	020-030-62-01	E 1/2 OF SW 1/4 OF SE 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 121)	2	11	13	1.25	9/11/1974	41	1366	1968		Tax Collector Deed
584	020-030-63-01	W 1/2 OF SW 1/4 OF SE 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 120)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
585	020-030-64-01	S 1/2 OF SW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOTS 116, 117, 118 & 119)	2	11	13	5	5/4/1973	52	1346	493		Deed
586	020-030-66-01	W 1/5 OF E 2/5 OF N 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 79)	2	11	13	1	5/4/1973	52	1346	493		Deed
587	020-030-67-01	E 2/5 OF S 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOTS 86 & 87)	2	11	13	2	5/4/1973	52	1346	493		Deed
588	020-030-68-01	E 1/5 OF N 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 78)	2	11	13	1	5/4/1973	52	1346	493		Deed
589	020-030-69-01	W 1/5 OF N 1/2 OF NE 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 77)	2	11	13	1	5/4/1973	52	1346	493		Deed
590	020-030-70-01	S 1/2 OF NE 1/4 OF SW 1/4 OF NE 1/4 (ARB LOTS 88, 89, 90 & 91)	2	11	13	5	5/4/1973	52	1346	493		Deed
591	020-030-71-01	E 1/5 OF N 1/2 OF NE 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 73)	2	11	13	1	5/4/1973	52	1346	493		Deed
592	020-030-72-01	CENTRAL 1/5 OF N 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 80)	2	11	13	1	5/4/1973	52	1346	493		Deed
593	020-030-73-01	E 1/5 OF W 2/5 OF N 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/4 (ARB LOT 81)	2	11	13	1	5/4/1973	52	1346	493		Deed
594	020-030-74-01	W 1/5 OF N 1/2 OF NW 1/4 OF SW 1/4 OF NE 1/2 (ARB LOT 82)	2	11	13	1	5/4/1973	52	1346	493		Deed
595	020-040-03-01	W 1/2 OF NE 1/4 OF NW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 161)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
596	020-040-08-01	E 1/2 OF NE 1/4 OF NE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 156)	2	11	13	1.25	10/24/1989	89-17455	1634	1744		QuitclaimDeed
597	020-040-09-01	W 1/2 OF NW 1/4 OF NW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 155)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
598	020-040-10-01	E 1/2 OF NW 1/4 OF NW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 154)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
599	020-040-12-01	E 1/2 OF NE 1/4 OF NW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 152)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
600	020-040-13-01	W 1/2 OF NW 1/4 OF NE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 151)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
601	020-040-15-01	W 1/2 OF NE 1/4 OF NE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 149)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
602	020-040-18-01	W 1/2 OF SE 1/4 OF NE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 178)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
603	020-040-20-01	W 1/2 OF SW 1/4 OF NE 1/4 OF NE 1/4 OF SW 1/4 (ARB	2	11	13	1.25	7/20/2001	116405	2071	1186		Grant Deed



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APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
	LOT 176)										
604	020-040-21-01 E 1/2 OF SE 1/4 OF NW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 175)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
605	020-040-22-01 W 1/2 OF SE 1/4 OF NW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 174)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
606	020-040-27-01 E 1/2 OF SW 1/4 OF NW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 165)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
607	020-040-29-01 W 1/2 OF NW 1/4 OF SW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 227)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
608	020-040-35-01 NW 1/4 OF SW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOTS 218 & 219)	2	11	13	2.5	11/4/1997	97024812	1910	231		Corporation Grant Deed
609	020-040-39-01 NE 1/4 OF SE 1/4 OF NE 1/4 OF SW 1/4 & W 1/2 OF SE 1/4 OF SE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOTS 212, 213 & 242)	2	11	13	3.75	7/20/2001	16405	2071	1186		Grant Deed
610	020-040-40-01 E 1/2 OF SE 1/4 OF SE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 243)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
611	020-040-41-01 E 1/2 OF SW 1/4 OF SE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 241)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
612	020-040-43-01 W 1/2 OF SE 1/4 OF SW 1/4 OF NE 1/4 OF SW 1/4 & E 1/2 OF SW 1/4 OF SW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 237 & 238)	2	11	13	2.5	5/4/1973	52	1346	493		Deed
613	020-040-44-01 W 1/2 OF SW 1/4 OF SW 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 236)	2	11	13	1.25	12/1/1977	42	1409	925		Deed
614	020-040-45-01 E 1/2 OF SE 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 235)	2	11	13	1.25	2/6/1985	29	1535	1583		Tax Deed To Purchaser of Real Property
615	020-040-46-01 W 1/2 OF SE 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 234)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
616	020-040-47-01 E 1/2 OF SW 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 233)	2	11	13	1.25	5/10/1984	70	1521	965		Tax Deed To Purchaser of Real Property
617	020-040-52-01 W 1/2 OF NW 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 291)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
618	020-040-53-01 E 1/2 OF NW 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 290)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
619	020-040-54-01 W 1/2 OF NW 1/4 OF NE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 287)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
620	020-040-56-01 E 1/2 OF NE 1/4 OF NE 1/4 OF SW 1/4 OF SW 1/4 & W 1/2 OF NE 1/4 OF NE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOTS 284 & 285)	2	11	13	2.5	5/4/1973	52	1346	493		Deed
621	020-040-61-01 E 1/2 OF NE 1/4 OF SE 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 340)	2	11	13	1.25	3/11/1996	96005138	1840	49		Quitclaim Deed
622	020-040-62-01 E 1/2 OF SE 1/4 OF SE 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 371)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
623	020-040-66-01 E 1/2 OF SE 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 367)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
624	020-040-68-01 W 1/2 OF NE 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB	2	11	13	1.25	5/4/1973	52	1346	493		Deed

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	APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
		LOT 345)										
625	020-040-69-01	W 1/2 OF SE 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 366)	2	11	13	1.25	3/19/1990	90-4857	1644	743		Tax Deed To Purchaser of Real Property
626	020-040-70-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 365)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
627	020-040-71-01	E 1/2 OF NW 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 348)	2	11	13	1.25	3/19/1990	90-4858	1644	745		Tax Deed To Purchaser of Real Property
628	020-040-73-01	W 1/2 OF SW 1/4 OF NW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 300)	2	11	13	1.25	12/18/1979	82	1444	1556		Tax Collector Deed
629	020-040-74-01	E 1/2 OF SE 1/4 OF NE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 299)	2	11	13	1.25	2/6/1985	30	1535	1585		Tax Deed To Purchaser of Real Property
630	020-040-75-01	W 1/2 OF SE 1/4 OF NE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 298)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
631	020-040-78-01	E 1/2 OF SE 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 295)	2	11	13	1.25	1/23/1976	30	1383	750		Deed
632	020-040-79-01	W 1/2 OF SE 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 294)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
633	020-040-80-01	E 1/2 OF SW 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 293)	2	11	13	1.25	10/18/1978	92	1423	1616		Deed
634	020-040-81-01	W 1/2 OF SW 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 292)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
635	020-040-83-01	E 1/2 OF NW 1/4 OF SW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 254)	2	11	13	1.25	3/19/1990	4858	1644	745		Tax Deed To Purchaser of Real Property
636	020-040-84-01	W 1/2 OF NE 1/4 OF SW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 353)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
637	020-040-86-01	W 1/2 OF NW 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 351)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
638	020-040-87-01	E 1/2 OF NW 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 350)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
639	020-040-88-01	W 1/2 OF NE 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 349)	2	11	13	1.25	2/20/1992	92003487	1692	1190		Corporation Grant Deed
640	020-040-90-01	W 1/2 OF NW 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 347)	2	11	13	1.25	1/25/2001	0101566	2043	1197		Quitclaim Deed
641	020-040-92-01	E 1/2 OF SE 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 363)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
642	020-040-95-01	W 1/2 OF SW 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 360)	2	11	13	1.25	12/18/1979	82	1444	1556		Tax Collector Deed
643	020-040-97-01	W 1/2 OF SE 1/4 OF SW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 358)	2	11	13	1.25	3/19/1990	90-4858	1644	745		Tax Deed To Purchaser of Real Property

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APN	LEGAL_DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
644	020-040-98-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SW 1/4 & W 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 356 & 357)	2	11	13	2.5	5/4/1973	52	1346	493	Deed
645	020-050-01-01	W 1/2 OF NW 1/4 OF NW 1/4 OF NW 1/4 OF SE 1/4 & W 1/2 OF SW 1/4 OF NW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 147 & 180)	2	11	13	2.5	5/4/1973	52	1346	493	Deed
646	020-050-02-01	E 1/2 OF NW 1/4 OF NW 1/4 OF NW 1/4 OF SE 1/4 (146)	2	11	13	1.25	11/12/1958	32	15-A	61	Collector's Deed
647	020-050-05-01	E 1/2 OF NE 1/4 OF NE 1/4 OF NW 1/4 OF SE 1/4; E 1/2 OF SE 1/4 OF NE 1/4 OF NW 1/4 OF SE 1/4; W 1/2 OF NE 1/4 OF NE 1/4 OF NW 1/4 OF SE 1/4 & W 1/2 OF SE 1/4 OF NE 1/4 OF NW 1/4 OF SE 1/4 (ARB LOTS 140, 141, 186, 187)	2	11	13	5	5/4/1973	52	1346	493	Deed
648	020-050-06-01	W 1/2 OF NW 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 139)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
649	020-050-08-01	W 1/2 OF NE 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 137)	2	11	13	1.25	2/29/1984	71	1517	1151	Tax Deed To Purchaser of Real Property
650	020-050-09-01	E 1/2 OF NE 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 136)	2	11	13	1.25	2/29/1984	72	1517	1153	Tax Deed To Purchaser of Real Property
651	020-050-10-01	W 1/2 OF NW 1/4 OF NE 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 135)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
652	020-050-13-01	E 1/2 OF NE 1/4 OF NE 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 132)	2	11	13	1.25	12/1/1977	40	1409	921	Deed
653	020-050-20-01	W 1/2 OF SW 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4 (ARB LOT 188)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
654	020-050-21-01	E 1/2 OF SW 1/4 OF NE 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 185)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
655	020-050-23-01	E 1/2 OF SE 1/4 OF NW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 183)	2	11	13	1.25	2/29/1984	5	1521	971	Tax Deed To Purchaser of Real Property
656	020-050-26-01	W 1/2 OF NW 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 & E 1/2 OF NW 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 210 & 211)	2	11	13	2.5	5/4/1973	52	1346	493	Deed
657	020-050-27-01	W 1/2 OF SW 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 244)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
658	020-050-28-01	E 1/2 OF SW 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 245)	2	11	13	1.25	11/3/1955	33	14-A	266	Collector's Deed
659	020-050-29-01	W 1/2 OF SE 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 246)	2	11	13	1.25	7/20/2001	16405	2071	1186	Grant Deed
660	020-050-31-01	NE 1/4 OF SW 1/4 OF NW 1/4 OF SE 1/4 (ARB LOTS 208 & 209)	2	11	13	2.5	7/20/2001	16405	2071	1186	Grant Deed
661	020-050-32-01	W 1/2 OF NW 1/4 OF SE 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 207)	2	11	13	1.25	5/4/1973	52	1346	493	Deed
662	020-050-33-01	W 1/2 OF SW 1/4 OF SE 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 248)	2	11	13	1.25	3/11/1996	96005138	1840	49	Quitclaim Deed

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	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
663	020-050-34-01	E 1/2 OF SW 1/4 OF SE 1/4 OF NW 1/4 OF SE 1/4 (ARB LOT 249)	2	11	13	1.25	3/11/1996	96005138	1840	49		Quitclaim Deed
664	020-050-52-01	E 1/2 OF NW 1/4 OF SW 1/4 OF SW 1/4 OF SE 1/4 (ARB LOT 338)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
665	020-050-53-01	W 1/2 OF NW 1/4 OF SW 1/4 OF SW 1/4 OF SE 1/4 (ARB LOT 339)	2	11	13	1.25	7/20/2001	16405	2071	1186		Grant Deed
666	020-050-54-01	W 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SE 1/4 (ARB LOT 372)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
667	020-050-56-01	E 1/2 OF SE 1/4 OF SW 1/4 OF SW 1/4 OF SE 1/4 (ARB LOT 375)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
668	020-050-75-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SE 1/4 OF SE 1/4 (ARB LOT 381)	2	11	13	1.25	10/18/1978	92	1423	1616		Deed
669	020-050-76-01	W 1/2 OF SE 1/4 OF SW 1/4 OF SE 1/4 OF SE 1/4 (ARB LOT 382)	2	11	13	1.25	11/12/1958	37	15-A	66		Collector's Deed
670	020-050-79-01	E 1/2 OF SW 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4; W 1/2 OF SE 1/4 OF NW 1/4 OF NE 1/4 OF SE 1/4 (ARB LOTS 189 & 190)	2	11	13	2.5	3/9/1987	3467	1576	826		Tax Deed To Purchaser of Real Property
671	020-050-80-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SE 1/4 (ARB LOT 373)	2	11	13	1.25	5/4/1973	52	1346	493		Deed
672	020-050-82-01	SE 1/4 OF NE 1/4 OF SE 1/4; E 1/2 OF E 1/2 OF SW 1/4 OF NE 1/4 OF SE 1/4; PORTION OF N 1/2 OF SE 1/4 OF SE 1/4 (ARB LOTS 196, 197, 198, 199, 256, 257, 258, 259, 200, 255, 260, 261, 262, 263, 264)	2	11	13	21.25	7/20/2001	2001-16405	2071	1186		Grant Deed
673	020-060-05-01	W 1/2 OF SW 1/4 OF NE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 21)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
674	020-060-22-01	E 1/2 OF NE 1/4 OF NE 1/4 OF NE 1/4 OF SW 1/4 (ARB LOT 1)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
675	020-060-33-01	E 1/2 OF NE 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 41)	12	11	13	1.25	12/29/1994	94031288	1794	406		Grant Deed
676	020-060-34-01	W 1/2 OF NE 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 42)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
677	020-060-35-01	E 1/2 OF NW 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 43)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
678	020-060-36-01	W 1/2 OF NW 1/4 OF SE 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 44)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
679	020-060-38-01	E 1/2 OF NW 1/4 OF SW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 47)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
680	020-060-41-01	E 1/2 OF SW 1/4 OF SW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 50)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
681	020-060-42-01	E 1/2 OF SE 1/4 OF SW 1/4 OF NW 1/4 OF SW 1/4 (ARB LOT 52)	12	11	13	1.25	5/4/1973	52	1346	493		Deed
682	020-070-25-01	E 1/2 OF SW 1/4 OF NW 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 82)	12	11	13	1.25	12/18/1979	82	1444	1556		Deed

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APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
683	020-070-40-01	W 1/2 OF SE 1/4 OF SE 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 127)	12	11	13	1.25	5/4/1973	52	1346	493	Deed
684	020-070-44-01	E 1/2 OF SW 1/4 OF SW 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 122)	12	11	13	1.25	5/4/1973	52	1346	493	Deed
685	020-070-47-01	W 1/2 OF SE 1/4 OF SE 1/4 OF SW 1/4 OF SW 1/4 (ARB LOT 119)	12	11	13	1.25	11/2/1993	93026260	1749	1653	Tax Deed To Purchaser of Real Property
686	020-070-64-01	W 1/2 OF SW 1/4 OF SE 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 125)	12	11	13	1.25	5/4/1973	52	1346	493	Deed
687	020-070-65-01	E 1/2 OF SW 1/4 OF SE 1/4 OF SE 1/4 OF SW 1/4 (ARB LOT 126)	12	11	13	1.25	5/4/1973	52	1346	496	Deed
688	020-090-01-01	ALL	19	11	13	640	5/7/1938	21	482	422	Deed
689	020-090-02-01	ALL	20	11	13	640	2/4/1938	55-64	479	520-524	Collector's Deed
690	020-090-03-01	N 1/2 & SW 1/4 & N 1/2 OF SE 1/4 & SW 1/4 OF SE 1/4; SE 1/4 OF SE 1/4	21	11	13	640	5/7/1938	21	482	422	ALSO REF: #6, 04/07/1938, 486-221 Deed & Warranty Deed
691	020-090-04-01	NW 1/4; SE 1/4; NE 1/4	28	11	13	476	10/23/1930	35	292	206	ALSO REF: #24, 01/15/1936, 417-272; #22, 01/15/1936, 418-36 Grant Deed & Quitclaim Deed
692	020-090-06-01	SW 1/4	28	11	13	160	12/7/1929	24	255	113	ALSO REF: #21, 11/26/35, 415-29; #51, 01/06/1936, 416-128 Grant Deed & Collector's Deed
693	020-090-07-01	ALL	29	11	13	640	5/7/1938	21	482	422	Deed
694	020-090-08-01	LOTS 5 & 6, EXCEPT W 8.27 ACRES & E 1/2 OF SW 1/4; SE 1/4 NW 1/4; NE 1/4	30	11	13	631.73	11/26/1935	26	415	26	ALSO REF: #21, 10/27/1936, 444-239; #30, 11/09/1936, 443-498; #16, 08/02/1937, 460-483 Grant Deed/QC Deed
695	020-090-09-01	W 8.27 ACRES OF LOTS 5 & 6	30	11	13	8.27	11/26/1935	26	415	26	Grant Deed
696	020-100-04-01	NW 1/4	23	11	13	160	5/7/1938	21	482	422	Deed
697	020-100-23-01	SE 1/4 OF NE 1/4	27	11	13	40	10/27/1976	164	1393	1312	Deed
698	020-100-32-01	ALL	22	11	13	640	1/6/1936	104-111	417	204-211	ALSO REF: #140-143, 04/16/1934, 375/360-363; #131-133, 01/03/1934, 374/573-575; #81-82, 09/28/1932, 348/490-491; #19, 09/28/32, 348/428; #52-56, 02/19/1931, 301/15-19; #87-100, 02/19/1931, 301/50-63; #73-74, 04/10/1940, 3A/1-2; #21, 11/24/1942, 598-89 Quitclaim Deed; Collector's Deed; Conveyance of Real Estate
699	020-100-42-01	PART OF SECTION 27, BEING DESIGNATED AS PARCEL 1 OF COC LLA #125 (1998/535)	27	11	13	288.4	10/15/1940	156	559	63	ALSO REF: #21, 04/05/1944, 617-249; #164, 10/27/1976, 1393-1312 Grant Deed; Deed
700	020-110-01-01	ALL	31	12	13	640	5/7/1938	21	482	422	Deed

EXHIBIT D-1  
(IID IMPERIAL COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	SUBDIVISION_TRACT	DOC TYPE
701	020-110-02-01	NW 1/4; N 1/2 OF NE 1/4	32	11	13	240	2/19/1931	65 - 66	301	28 - 29	ALSO REF: #101, 01/06/1936, 417-201 & #36, 11/09/1936, 443-502	Conveyance of Real Estate; Collector's Deed;
702	020-110-03-01	S 1/2 OF NE 1/4 & N 1/2 OF SE 1/4	32	11	13	160	9/28/1945	38	13-A	72		Quitclaim Deed Collector's Deed
703	020-110-04-01	SW 1/4	32	11	13	160	4/16/1934	136 - 138	375	356 - 358	ALSO REF: #36-37, 02/14/1938, 479/510-511; #12, 01/12/1939, 514/172; #29, 02/15/1965, 1201- 456; #30-31, 04/03/1970, 1290/1192-1193	Conveyance of Real Estate; Collector's Deed; Quitclaim Deed
704	020-110-05-01	SW 1/4 OF SE 1/4	32	11	13	40	1/15/1936	27	417	275		Quitclaim Deed
705	020-110-09-01	W 1/2 OF NW 1/4	33	11	13	80	5/7/1938	21	482	422		Deed
706	020-110-10-01	E 1/2 OF NW 1/4	33	11	13	80	4/16/1934	130	375	350		Conveyance of Real Estate
707	020-110-19-01	NW 1/4 OF NW 1/4 (aka LOT 6) & SW 1/4 OF NW 1/4, BEING SHOWN AS COC #130	5	12	13	121.61	5/7/1938	21	482	422		Deed
708	020-110-20-01	LOTS 3 & 4	6	12	13	81	1/7/1935	71	394	520		Collector's Deed
709	020-110-21-01	SE 1/4 OF NW 1/4 & LOTS 5, 6 & 7	6	12	13	169.3	1/7/1935	75	394	524		Collector's Deed
710	020-110-22-01	SE 1/4 OF NE 1/4; SW 1/4 OF NE 1/4	6	12	13	80	1/7/1935	72 - 73	394	521 - 522		Collector's Deed
711	020-110-52-01	N 1/2 OF SE 1/4 (aka PARCEL 2 OF CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT #126	6	12	13	80	8/8/1989	89012673-4	1629	1430- 1432		Grant Deed
712	020-110-53-01	LOTS 8 & 9 & E 1/2 OF SW 1/4; SE 1/4 OF SE 1/4 & SW 1/4 OF SE 1/4, (aka PARCEL 3 OF CERTIFICATE OF COMPLIANCE LOT LINE ADJUSTMENT #126	6	12	13	248.3	3/19/1931	67 - 76	301	30 - 39	ALSO REF: #73-74, 09/28/1932, 348/482-483; #125 & 134, 01/03/1934, 374-567 & 576; #58-60, 04/16/1934, 375/278-280;	Conveyance of Real Estate
713	020-130-20-01	PART OF SECTION 7, BEING SHOWN AS PARCEL 1 OF COC LLA #127 (1998-555)	7	12	13	342	3/7/1938	21	482	422	ALSO REF: #24, 07/02/1956, 947/100; #2, 07/05/1956, 947/187; #2001-00205, 01/05/2001, 2041/292	Deed, Executor's Quitclaim Deed, Quitclaim Deed, Grant Deed

EXHIBIT D-2  
(IID RIVERSIDE COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC NO	BOOK	PAGE	DOC TYPE
1	725-170-003	PART OF N 1/2	31	7	10	46.25	3/7/1938	21	482	422	Deed
2	725-170-004	PART OF N 1/2	31	7	10	116.05	3/7/1938	21	482	422	Deed
3	725-170-005	PART OF N 1/2	31	7	10	102.04	3/7/1938	21	482	422	Deed
4	725-170-006	PART OF N 1/2	31	7	10	51.50	3/7/1938	21	482	422	Deed
5	725-210-006	PART OF NW 1/4	33	7	10	21.25	3/7/1938	21	482	422	Deed
6	725-210-007	PART OF NW 1/4	33	7	10	58.75	3/7/1938	21	482	422	Deed
7	725-210-009	PART OF NE 1/4	33	7	10	25.45	3/7/1938	21	482	422	Deed
8	725-210-010	PART OF NW 1/4	33	7	10	38.94	3/7/1938	21	482	422	Deed
9	725-210-011	PART OF NW 1/4	33	7	10	41.86	3/7/1938	21	482	422	Deed
10	725-210-012	PART OF NE 1/4	33	7	10	45.56	3/7/1938	21	482	422	Deed
11	725-210-013	PART OF NE 1/4	33	7	10	49.97	3/7/1938	21	482	422	Deed
12	725-220-001	S 1/2	33	7	10	320	3/7/1938	21	482	422	Deed
13	729-110-030	PART OF S 1/2, BEING SHOWN AS PARCEL 7929-1 ON RECORD OF SURVEY MAP (103-75)	29	7	9	159.11	1/29/1988	031474			Grant Deed
14	729-120-010	SW 1/4 OF SW 1/4	27	7	9	40	3/7/1938	21	482	422	Deed
15	729-150-020	PART OF SE 1/4, DAF: BEG AT THE NE CORNER OF SD SE 1/4 OF SECTION 31 ACCORDING TO MAP ON FILE IN BOOK 103, PAGE 100 OF RECORDS OF SURVEY OF RIVERSIDE COUNTY; TH SLY ALONG THE E LINE OF SD SE 1/4 TO THE SE CORNER OF SD SE 1/4; TH WLY ALONG THE S LINE OF SD SE 1/4 TO A 1-INCH IRON PIPE, TAGGED LS-4230, MARKING THE SW CORNER OF SD SE 1/4; TH ALONG HTE W LINE OF SD SE 1/4 N 00°03'18" W, 1346.52 FEET TO A 1-1/2 INCH IRON PIPE TAGGED LS-5397 THEREON; TH DEPARTING FROM SAID W LINE N 89°56'42" E, 1351.67 FT TO A 1-1/2 INCH PIPE TAGGED LS-5397; TH N 00° 30' 40" W, 263.74 FT TO A 1 1/2 INCH IRON PIPE TAGGED LS-5397; TH N 89° 29' 20" E 262.09 FT TO A 1 1/2 INCH IRON PIPE TAGGED LS-5397; TH N 00° 30' 40" W 1093.50 FT, MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE N LINE OF SAID SE 1/4 OF SECTION 31, SAID POINT BEING MARKED WITH A 1- 1/2 INCH IRON PIPE TAGGED LS 5397; TH N 89° 29' 20" E 1033.45 FT ALONG SAID NORTH LINE OF SAID SE 1/4 OF SECTION 31 TO THE TRUE POINT OF BEGINNING, SAID DESCRIBED LAND BEING SHOWN AND DELINEATED AS IMPERIAL IRRIGATION DISTRICT RIGHT-OF-WAY PARCEL 7931-11 MAP AND ON FILE IN BOOK 103, PAGE 100 OF RECORDS A SURVEY OF RIVERSIDE COUNTY	And	7	9	106.66	5/28/1998	215937			Deed Grant Deed
16	729-170-006	PART OF N 1/2	35	7	9	287.75	3/7/1938	21	482	422	Deed
17	733-220-010	S 1/2 OF LOT 1 OF NW 1/4; SW 1/4; LOT 2 OF NW 1/4 & NW 1/4 OF SE 1/4 & S 1/2 OF SE 1/4, LYING SWLY OF SALTON SEA SHORELINE	19	8	11	344.11	3/7/1938	21	482	422	Deed
18	733-220-013	PART OF SE 1/4, EXCEPT PART LYING SWLY OF SALTON SEA SHORELINE	19	8	11	60.45	3/7/1938	21	482	422	Deed
19	733-270-004	ALL	31	8	11	640	3/7/1938	21	482	422	Deed
20	733-270-023	SW 1/4 OF NE 1/4; W 1/2; SE 1/4; SE 1/4 OF NE 1/4	29	8	11	410.7	3/7/1938	21	482	422	Deed
21	733-270-026	W 1/2	33	8	11	337.8	3/7/1938	21	482	422	Deed
22	733-270-027	SW 1/4 OF NE 1/4; NW 1/4 OF SE 1/4; S 1/2 OF SE 1/4	33	8	11	142.2	3/7/1938	21	482	422	Deed
23	735-020-001	ALL	5	8	10	512.96	3/7/1938	21	482	422	Deed
24	735-020-002	ALL	7	8	10	640.06	3/7/1938	21	482	422	Deed
25	735-020-003	N 1/2; W 1/2 OF SW 1/4	9	8	10	400	3/7/1938	21	482	422	Deed
26	735-020-004	E 1/2 OF SW 1/4; SE 1/4	9	8	10	240	3/7/1938	21	482	422	Deed
27	735-020-005	ALL	17	8	10	640	3/7/1938	21	482	422	Deed
28	735-020-006	NE 1/4 OF NW 1/4	16	8	10	40	3/8/1962	21729	3093	78	Patent
29	735-040-017	PART OF NE 1/2, EXCEPT N 27.60 ACRES OF W 1/2 OF NE 1/4 CONVEYED BY SP LAND CO TO DATE PALM BEACH CORPORATION LTD BY DEED NO 3248-R DATED JUNE 24, 1930; DAF: BEG AT THE NE COR OF THE NE 1/4 OF SD SECTION; TH S 800 FT ALONG THE E LINE OF NE 1/4 TO A POINT, SAID POINT	3	8	10	3.62	3/7/1938	21	482	422	Deed

EXHIBIT D-2  
(IID RIVERSIDE COUNTY)

APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK	PAGE	DOC TYPE
30	735-040-18	BEING THE TRUE POB; TH DEPARTING THE E LINE AT AN ANGLE POINT TO THE SOUTH LINE OF SAID NE 1/4, WHICH LIES 600 FT W OF THE SE COR OF THE NE 1/4; TH E 600 FT TO THE SE COR OF NE 1/4; TH N TO POB; EXCEPT PART LYING NORTH OF SALTON SEA SHORELINE								
		3	8	10	1.77	3/7/1938	21	482	422	Deed
31	735-050-003	PART OF NE 1/2, EXCEPT N 27.60 ACRES OF W 1/2 OF NE 1/4 CONVEYED BY SP LAND CO TO DATE PALM BEACH CORPORATION LTD BY DEED NO 3248-R DATED JUNE 24, 1930; DAF: BEG AT THE NE COR OF THE NE 1/4 OF SD SECTION; TH S 800 FT ALONG THE E LINE OF NE 1/4 TO A POINT, SAID POINT BEING THE TRUE POB; TH DEPARTING THE E LINE AT AN ANGLE POINT TO THE SOUTH LINE OF SAID NE 1/4, WHICH LIES 600 FT W OF THE SE COR OF THE NE 1/4; TH E 600 FT TO THE SE COR OF NE 1/4; TH N TO POB; EXCEPT PART LYING SOUTH OF SALTON SEA SHORELINE								
		3	8	10	98.07	3/7/1938	21	482	422	Deed
32	735-050-010	E 1/2 OF SE 1/4 OF SW 1/4								
		3	8	10	20	6/25/1987	181197			Corp Grant
33	735-170-005	NW 1/4								
		13	8	10	137.68	3/7/1938	21	482	422	Deed
34	735-170-006	NW 1/4								
		13	8	10	22.32	3/7/1938	21	482	422	Deed
35	735-180-001	SW 1/4 OF SE 1/4								
		13	8	10	40	3/7/1938	21	482	422	Deed
36	735-180-006	N 1/2 OF SW 1/4; SE OF SW 1/4; PART OF NW 1/4 OF SE 1/4; S 1/2 OF SE 1/4								
		13	8	10	230.64	3/7/1938	21	482	422	Deed
37	735-180-007	PART OF NW 1/4 OF SE 1/4								
		13	8	10	9.59	3/7/1938	21	482	422	Deed
38	735-190-001	ALL								
		19	8	10	639.52	3/7/1938	21	482	422	Deed
39	735-190-002	ALL								
		21	8	10	640	3/7/1938	21	482	422	Deed
40	735-190-003	ALL								
		29	8	10	640	3/7/1938	21	482	422	Deed
41	735-190-004	E 1/2; W 1/2								
		27	8	10	640	3/7/1938	21	482	422	Deed
42	735-190-005	NW 1/4; W 1/2 OF SW 1/4								
		25	8	10	240	3/7/1938	21	482	422	Deed
43	735-190-006	E 1/2; E 1/2 OF SW 1/4								
		25	8	10	400	3/7/1938	21	482	422	Deed
44	735-190-007	N 1/2 OF LOT 1 OF NW 1/4; LOT 2 OF NW 1/4; N 1/2 OF LOT 2 OF SW 1/4								
		31	8	10	120	3/7/1938	21	482	422	Deed
45	735-190-008	E 1/2; S 1/2 OF LOT 1 OF NW 1/4; S 1/2 OF LOT 2 OF SW 1/4; LOT 1 OF SW 1/4								
		31	8	10	480	3/7/1938	21	482	422	Deed
46	735-190-009	ALL								
		33	8	10	640.88	3/7/1938	21	482	422	Deed
47	735-190-010	ALL								
		35	8	10	643.30	3/7/1938	21	482	422	Deed
48	737-020-008	ALL								
		9	8	9	640	3/7/1938	21	482	422	Deed
49	737-020-013	ALL								
		5	8	9	267.57	3/7/1938	21	482	422	Deed
50	737-020-014	ALL								
		5	8	9	225.59	3/7/1938	21	482	422	Deed
51	737-020-015	NE 1/4 OF NE 1/4; S 1/2 OF NE 1/4; PART OF SE 1/4, EXCEPT E 9.10 ACRES								
		7	8	9	270.99	3/7/1938	21	482	422	Deed
52	737-020-016	E 9.10 ACRES OF SE 1/4								
		7	8	9	9.10	3/7/1938	21	482	422	Deed
53	737-030-001	FRACTIONAL								
		3	8	9	510.62	6/17/1998	246307			Corp Grant
54	737-030-002	FRACTIONAL								
		1	8	9	509.12	4/9/1999	150292			Grant Deed
55	737-030-003	ALL								
		11	8	9	640	3/7/1938	21	482	422	Deed
56	737-060-001	ALL								
		17	8	9	170.06	3/7/1938	21	482	422	Deed
57	737-060-006	ALL								
		17	8	9	312.73	3/7/1938	21	482	422	Deed
58	737-060-007	ALL								
		17	8	9	0.37	3/7/1938	21	482	422	Deed
59	737-060-008	ALL								
		17	8	9	98.73	3/7/1938	21	482	422	Deed
60	737-060-009	ALL								
		17	8	9	58.11	3/7/1938	21	482	422	Deed
61	737-070-001	ALL								
		15	8	9	640	3/7/1938	21	482	422	Deed
62	737-070-002	ALL								
		13	8	9	640	3/7/1938	21	482	422	Deed
63	737-070-003	ALL								
		23	8	9	640	3/7/1938	21	482	422	Deed
64	737-150-001	N 1/2								
		21	8	9	168.54	3/7/1938	21	482	422	Deed



EXHIBIT D-2  
(IID RIVERSIDE COUNTY)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC NO	BOOK	PAGE	DOC TYPE
65	737-150-004	N 1/2	21	8	9	9.57	3/7/1938	21	482	422	Deed
66	737-150-005	N 1/2	21	8	9	141.88	3/7/1938	21	482	422	Deed
67	737-160-021	SE 1/4	21	8	9	20.9	3/7/1938	21	482	422	Deed
68	737-160-022	SE 1/4	21	8	9	132.53	3/7/1938	21	482	422	Deed
69	737-210-014	NE 1/4 OF NE 1/4	28	8	9	31.31	9/15/1995	305040			Quitclaim Deed
70	737-210-015	NE 1/4 OF NE 1/4	28	8	9	8.39	9/15/1995	305040			Quitclaim Deed
71	737-210-016	SE 1/4 OF NE 1/4	28	8	9	18.28	9/15/1995	305040			Quitclaim Deed
72	737-210-017	SE 1/4 OF NE 1/4	28	8	9	22.42	9/15/1995	305040			Quitclaim Deed
73	737-230-002	ALL	27	8	9	485	3/7/1938	21	482	422	Deed
74	737-230-003	ALL	25	8	9	640	3/7/1938	21	482	422	Deed
75	737-230-004	ALL	35	8	9	643.3	3/7/1938	21	482	422	Deed
76	737-230-012	ALL	27	8	9	155	3/7/1938	21	482	422	Deed
77	737-230-013	ALL	27	8	9	1.35	3/7/1938	21	482	422	Deed

EXHIBIT D-3  
(IID & CVWD)

	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC DATE	DOC NO	BOOK	PAGE	SUBDIVISION TRACT	DOC TYPE
1	001-342-06-01	LOT 20, BLOCK 7					10/2/1995	95021731	1823	274	SALTON SEA BEACH UNIT NO. 4	Grant Deed
2	001-345-02-01	LOT 7, BLOCK 3	23	9	9		12/19/1994	94030439	1792	1680	SALTON SEA BEACH ESTATES UNIT # 4	Grant Deed
3	001-345-08-01	LOT 3, BLOCK 3	23	9	9		8/12/1994	94019031	1779	996	TRACT 538, SALTON SEA BEACH ESTATES UNIT #4	Grant Deed
4	001-345-09-01	LOT 4, BLOCK 3	23	9	9		12/22/1994	824	1793	883	SALTON SEA BEACH ESTATES UNIT # 4	Grant Deed
5	001-351-01-01	LOT 21, BLOCK 11	23	9	9		12/23/1994	94030880	1793	1051	SALTON SEA BEACH ESTATES UNIT # 4	Grant Deed
6	001-354-18-01	LOTS 18 & 19, BLOCK 3	23	9	9		9/10/1996	96021324	1861	329	SALTON SEA BEACH	Grant Deed
7	001-361-04-01	LOTS 11, 12, 13, 40, 41 & 42, BLOCK 12	23	9	9		12/23/1994	94030871	1793	1010	SALTON SEA BEACH	Grant Deed
8	001-361-07-01	LOTS 50, 51 & 52, BLOCK 12	23	9	9		10/2/1995	95021730	1823	270	SALTON SEA BEACH	Grant Deed
9	001-361-09-01	LOTS 34 THRU 39, BLOCK 12	23	9	9		12/19/1994	94030436	1792	1666	SALTON SEA BEACH	Grant Deed
10	001-361-10-01	LOTS 9, 10 & 43, BLOCK 12	23	9	9		12/22/1994	94030828	1793	899	SALTON SEA BEACH	Grant Deed
11	001-361-11-01	LOT 44, BLOCK 12	23	9	9		4/9/1999	99007876	1971	1183	SALTON SEA BEACH	Grant Deed
12	001-361-13-01	LOTS 1 THRU 8, BLOCK 12	23	9	9		2/20/1987	87-02526	1575	594	SALTON SEA BEACH	Tax Deed To Purchaser of Tax-Defaulted Property
13	001-362-21-01	LOTS 2, 3, 4, BLOCK 13	23	9	9		9/10/1996	96021324	1861	329 & 330	SALTON SEA BEACH	Grant Deed/QC Deed
14	001-372-02-01	LOT, 5, BLOCK 1	23	9	9		12/22/1994	94030822	1793	875	SALTON SEA BEACH ESTATES UNIT # 4	Grant Deed
15	001-373-02-01	LOT 2, BLOCK 2	23	9	9		12/22/1994	94030826	1793	891	SALTON SEA BEACH UNIT NO. 4	Grant Deed
16	001-373-03-01	LOT 3, BLOCK 2	23	9	9		12/22/1994	94030826	1793	891	SALTON SEA BEACH UNIT NO. 4	Grant Deed
17	001-383-14-01	LOT 17, BLOCK 8	23	9	9		12/23/1994	94030872	1793	1014	SALTON SEA BEACH	Grant Deed
18	001-383-15-01	LOT 16, BLOCK 8	23	9	9		12/23/1994	94030872	1793	1014	SALTON SEA BEACH	Grant Deed
19	001-383-21-01	LOT 10, BLOCK 8	23	9	9		12/19/1994	94030434	1792	1658	SALTON SEA BEACH	Grant Deed
20	001-383-27-01	LOT 4, BLOCK 8	23	9	9		12/23/1994	94030875	1793	1027	SALTON SEA BEACH	Grant Deed
21	001-385-23-01	LOT 14, BLOCK 16	23	9	9		9/10/1996	96021324	1861	329	SALTON SEA BEACH	QC Deed
22	001-391-09-01	LOT 22, BLOCK 9	23	9	9		12/29/1994	94031276	1794	318	SALTON SEA BEACH	Grant Deed
23	001-391-10-01	LOT 21, BLOCK 9	23	9	9		12/29/1994	94031276	1794	318	SALTON SEA BEACH	Grant Deed
24	001-391-16-01	LOT 15, BLOCK 9	23	9	9		12/19/1994	94030442	1792	1694	SALTON SEA BEACH	Grant Deed
25	001-391-17-01	LOT 14, BLOCK 9	23	9	9		12/19/1994	94030442	1792	1694	SALTON SEA BEACH	Grant Deed
26	001-391-32-01	LOTS 12 & 13, BLOCK 9	23	9	9		06/30/1994	94015273	1774	1327	SALTON SEA BEACH	Grant Deed
							06/30/1994	94015275	1774	1331		
							06/30/1994	94015276	1774	1333		
							06/30/1994	94015282	1774	1354		
27	001-393-03-01	BLOCKS 29 & 30, BLOCK 18, EXCEPT S 50 FT	23	9	9		12/23/1994	94030886	1793	1077	SALTON SEA BEACH	Grant Deed
28	001-394-07-01	LOT 24, BLOCK 19	23	9	9		12/22/1994	94030823	1793	879	SALTON SEA BEACH	Grant Deed
29	002-263-01-01	LOT 165, BLOCK E	33	9	12		12/22/1994	94030829	1793	903	BOMBAY BEACH	Grant Deed
30	002-263-32-01	LOTS 141 THRU 160, INCLUSIVE, BLOCK E	33	9	12		12/23/1994	94030882	1793	1059	BOMBAY BEACH	Grant Deed
31	002-264-22-01	LOT 204, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
32	002-264-23-01	LOT 203, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
33	002-264-24-01	LOT 202, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
34	002-264-25-01	LOT 201, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
35	002-264-26-01	LOT 200, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
36	002-264-27-01	LOT 199, BLOCK E	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
37	002-264-28-01	LOT 198, BLOCK E	33	9	12		12/22/1994	94030825	1793	887	BOMBAY BEACH	Grant Deed

EXHIBIT D-3  
(IID & CVWD)

#	APN	LEGAL DESCRIPTION	SECTION	T	R	ACRES	REC_DATE	DOC_NO	BOOK#	PAGE#	SUBDIVISION TRACT	DOC TYPE
38	002-264-29-01	LOT 197, BLOCK E	33	9	12		12/22/1994	94030825	1793	887	BOMBAY BEACH	Grant Deed
39	002-264-30-01	LOTS 196, BLOCK E,	33	9	12		12/22/1994	94030825	1793	887	BOMBAY BEACH	Grant Deed
40	002-264-31-01	LOTS 205, 206, 207, 208, 209 & 210, BLOCK E,	33	9	12		12/19/1994	94030441	1792	1688	BOMBAY BEACH	Grant Deed
41	002-271-06-01	LOT 40, BLOCK F	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
42	002-271-07-01	LOT 39, BLOCK F	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
43	002-271-27-01	LOT 19, BLOCK F,	33	9	12		12/23/1994	94030877	1793	1036	BOMBAY BEACH	Grant Deed
44	002-271-28-01	LOT 18, BLOCK F	33	9	12		12/23/1994	94030874	1793	1022	BOMBAY BEACH	Grant Deed
45	002-272-06-01	LOT 100, BLOCK F	33	9	12		12/22/1994	94030827	1793	895	BOMBAY BEACH	Grant Deed
46	002-272-09-01	LOT 97, BLOCK, F	33	9	12		12/23/1994	94030887	1793	1081	BOMBAY BEACH	Grant Deed
47	002-272-18-01	LOT 88, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
48	002-272-19-01	LOT 87, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
49	002-272-20-01	LOT 86, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
50	002-272-21-01	LOT 85, BLOCK F	33	9	12		9/28/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
51	002-272-22-01	LOT 84, BLOCK F	33	9	12		12/23/1994	94030883	1793	1063	BOMBAY BEACH	Grant Deed
52	002-272-24-01	LOTS 82, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
53	002-272-25-01	LOTS 81, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
54	002-272-26-01	LOTS 80, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
55	002-272-31-01	LOTS 89 & 90, BLOCK F	33	9	12		9/29/1995	95021586	1822	1705	BOMBAY BEACH	Grant Deed
56	002-273-25-01	LOT 141, BLOCK F	33	9	12		12/22/1994	94030820	1793	867	BOMBAY BEACH	Grant Deed
57	002-274-20-01	LOT 206, BLOCK F	33	9	12		9/29/1995	95021587	1822	1714	BOMBAY BEACH	Quitclaim
								95021589	1822	1718		Deed Grant
58	002-281-12-01	LOTS 3, 4 & 5, BLOCK G	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
59	002-285-14-01	LOT 58, BLOCK G	33	9	12		9/10/1996	96021324	1861	329	BOMBAY BEACH	Quitclaim
												Deed
60	002-285-26-01	LOT 60, BLOCK G	33	9	12		12/19/1994	94030435	1792	1662	BOMBAY BEACH	Grant Deed
61	002-286-15-01	LOTS 94 THRU 97, BLOCK G	33	9	12		12/23/1994	94030870	1793	1006	BOMBAY BEACH	Grant Deed
62	002-287-26-01	LOT 80, 81, 82, 83, 84 & 85, BLOCK G	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
63	002-291-17-01	LOT 9, BLOCK H,	33	9	12		12/23/1994	94030881	1793	1055	BOMBAY BEACH	Grant Deed
64	002-291-28-01	LOT 21 & 22, BLOCK H,	33	9	12		12/19/1994	94030437	1792	1670	BOMBAY BEACH	Grant Deed
65	002-292-19-01	LOTS 28 & 29, BLOCK H,	33	9	12		9/10/1996	96021324	1861	329	BOMBAY BEACH	Quitclaim
												Deed
66	002-293-04-01	LOT 65, BLOCK H,	33	9	12		9/20/1995	95020607	1821	940	BOMBAY BEACH	Grant Deed
67	002-293-30-01	LOT 67, BLOCK H,	33	9	12		12/19/1994	94030438	1792	1675	BOMBAY BEACH	Grant Deed
68	002-294-17-01	LOTS 80, 81 & 82, BLOCK H,	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
69	002-303-08-01	LOT 136, BLOCK H,	33	9	12		12/23/1994	94030873	1793	1018	BOMBAY BEACH	Grant Deed
70	002-303-26-01	LOT 118, BLOCK H,	33	9	12		12/23/1994	94030876	1793	1031	BOMBAY BEACH	Grant Deed
71	002-304-22-01	LOT 167, BLOCK H,	33	9	12		1/19/1995	95001242	1796	110	BOMBAY BEACH	Grant Deed
72	020-040-28-01	W 1/2 OF THE SW 1/4 OF THE NW 1/4 OF THE NW 1/4 OF THE SW 1/4 (ARB LOT 164)	2	11	13	1.25	12/19/1994	94030444	1792	1709		Grant Deed
73	020-040-31-01	W 1/2 OF THE NE 1/4 OF THE SW 1/2 OF NW 1/4 OF THE SW 1/4 (ARB LOT 225)	2	11	13	1.25	12/23/1994	94030885	1793	1073		Grant Deed
74	020-040-93-01	W 1/2 OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 (ARB LOT 362)	2	11	13	1.25	11/1/1994	94026124	1788	253		Quitclaim
												Deed

## Exhibit E

**EXHIBIT E**

**IID LAND DEPICTED ON MAP  
(PARAGRAPH 3-a)**

**[TO BE INSERTED]**

## Exhibit F

EXHIBIT F

LANDS IN FEE TITLE THAT LIE BELOW 220-FOOT ELEVATION

PARCEL NO. 1

The West 29.94 acres of the East 100.95 acres of the North half of the North half of Section 32, Township 7 South, Range 10 East, San Bernardino Meridian, in the County of Riverside, State of California, according to the official plat thereof.

EXCEPTING therefrom that portion lying South of the Salton Sea shoreline.

Containing 20.31 acres, more or less.

Assessor's Parcel No. 725-190-018

PARCEL NO. 2

That portion of the Northwest quarter of Section 36, Township 7 South, Range 9 East, San Bernardino Meridian, lying northwesterly of the Salton Sea shoreline.

EXCEPTING therefrom those portions in street.

Containing 136.23 acres, more or less.

Assessor's Parcel No. 729-170-012

PARCEL NO. 3

That portion of the Northeast quarter of Section 36, Township 7 South, Range 9 East, San Bernardino Meridian, lying northerly of the Salton Sea shoreline.

EXCEPTING therefrom those portions in street.

Containing 58.89 acres, more or less.

Assessor's Parcel No. 729-170-017

PARCEL NO. 4

The North 50.0 acres of the East half of the Southeast quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian, according to the official plat thereof.

Containing 50.0 acres, more or less.

Assessor's Parcel No. 729-110-009

EXHIBIT F – Continued

PARCEL NO. 5

The South 30.0 acres of the East half of the Southeast quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian, according to the official plat thereof.

Containing 30.0 acres, more or less.

Assessor's Parcel No. 729-110-018

PARCEL NO. 6

The South 120.0 feet of the Southwest quarter of the Northeast quarter of Section 28, Township 8 South, Range 9 East, San Bernardino Meridian.

Containing 3.64 acres, more or less.

Assessor's Parcel No. 737-210-011

PARCEL NO. 7

Lots 14 and 15, Block "F," Bombay Beach Tract, according to Map No. 317 on file in the Office of the County Recorder of Imperial County.\*

Containing 0.25 acre (2 lots at 135.0 feet by 40.0 feet), more or less.

Assessor's Parcel Nos. 002-251-16 and 002-261-17

PARCEL NO. 8

The West 29.94 acres of the East 100.95 acres of the North half of the North half of Section 32, Township 7 South, Range 10 East, San Bernardino Meridian, in the County of Riverside, State of California, according to the official plat thereof.

EXCEPTING therefrom that portion lying North of the Salton Sea shoreline.

Containing 9.63 acres, more or less.

Assessor's Parcel No. 725-190-019

\*This land is within Imperial County.



EXHIBIT F – Continued

PARCEL NO. 9

The North half of Section 33, Township 7 South, Range 9 East, San Bernardino Meridian, in the County of Riverside, State of California, according to the official plat thereof.

EXCEPTING that portion lying North and West of the Salton Sea shoreline.

Containing 95.08 acres, more or less.

Assessor's Parcel No. 729-160-007

PARCEL NO 10

The South half of Section 33, Township 7 South, Range 9 East, San Bernardino Meridian, in the County of Riverside, State of California, according to the official plat thereof.

EXCEPTING that portion lying West of the Salton Sea shoreline.

Containing 201.17 acres, more or less.

Assessor's Parcel No. 729-160-008

PARCEL NO. 11

The South half of Section 35, Township 7 South, Range 9 East, San Bernardino Meridian.

EXCEPTING therefrom that portion lying northerly of the Salton Sea shoreline.

Containing 318.17 acres, more or less.

Assessor's Parcel No. 729-170-009

PARCEL NO. 12

That portion of the Northeast quarter of Section 36, Township 7 South, Range 9 East, San Bernardino Meridian, lying southerly of the Salton Sea shoreline.

Containing 107.54 acres, more or less.

Assessor's Parcel No. 729-170-016

EXHIBIT F - Continued

PARCEL NO. 13

That portion of the Northwest quarter of Section 36, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

BEGINNING at the Southeast corner of said Northwest quarter;

THENCE westerly along the South line of the Northwest quarter of said Section 36 to the Southwest corner of said Section 36;

THENCE northerly along the West line of said Section 36 to the intersection with the Salton Sea shoreline;

THENCE northeasterly along said shoreline to the East line of said Northwest quarter;

THENCE southerly along said East line of the Northwest quarter to the POINT OF BEGINNING.

Containing 23.07 acres, more or less.

Assessor's Parcel No. 729-170-015

PARCEL NO. 14

The South half of Section 36, Township 7 South, Range 9 East, San Bernardino Meridian.

EXCEPTING therefrom that portion lying northerly of the Salton Sea shoreline.

Containing 319.92 acres, more or less.

Assessor's Parcel No. 729-170-018

PARCEL NO. 15

The South half of Section 31, Township 7 South, Range 10 East, San Bernardino Meridian.

Containing 320.0 acres, more or less.

Assessor's Parcel No. 725-180-001

EXHIBIT F - Continued

PARCEL NO. 16

The Northeast quarter of the Northeast quarter of Section 32, Township 7 South, Range 9 East, San Bernardino Meridian, according to the official plat thereof.

Containing 40.0 acres, more or less.

Assessor's Parcel Nos. 729-150-010 and 729-150-011

PARCEL NO. 17

Lot 45, Block "F," Bombay Beach Tract, in an unincorporated area of the County of Imperial, State of California, according to Map No. 317 on file in the office of the County Recorder of Imperial County.\*

Containing 0.12 acre (135 feet by 40 feet), more or less.

Assessor's Parcel No. 002-271-01

PARCEL NO. 18

That portion of the Northeast quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The West 90.00 feet and the South 90.00 feet of the Northeast quarter of said Section 29.

Containing 10.38 acres, more or less.

Assessor's Parcel No. 729-110-022

PARCEL NO. 19

That portion of the Northeast quarter of the Northeast quarter of the Southeast quarter of Section 30, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The West 120.00 feet of the East 150.00 feet of said portion of the Southeast quarter.

Containing 1.82 acres, more or less.

Assessor's Parcel No. 729-100-010

\*This land is within Imperial County.

EXHIBIT F - Continued

PARCEL NO. 20

That portion of the East half of the Northeast quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The West 60.00 feet of the East 120.00 feet of said portion of the Northeast quarter.

Containing 3.50 acres, more or less.

Assessor's Parcel No. 729-110-023

PARCEL NO. 21

A parcel of land in the South half of Section 30, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

BEGINNING at the Southeast corner of the South half of Section 30, Township 7 South, Range 9 East, San Bernardino Meridian;

THENCE South  $89^{\circ}23'18''$  West along the South line of said South half, a distance of 671.80 feet;

THENCE northwesterly along the arc of a curve concave to the left whose tangent bears North  $50^{\circ}25'22''$  West, having a radius of 19,400.00 feet, through a central angle of  $06^{\circ}53'16''$ , a distance of 2,332.16 feet to a point of tangent;

THENCE North  $57^{\circ}18'38''$  West, a distance of 98.76 feet to the West line of the Southeast quarter of said Section 30 at a point 1,448.66 feet North of the Southwest corner;

THENCE continuing North  $57^{\circ}18'38''$  West, a distance of 1,060.00 feet to a point of curve;

THENCE continuing northwesterly along the arc of a curve concave to the right having a radius of 3,600.00 feet, through a central angle of  $15^{\circ}38'57''$ , a distance of 983.27 feet to the North line of said South half of Section 30 at a point 710.32 feet East of the Northwest corner;

THENCE North  $89^{\circ}34'46''$  East along said North line, a distance of 871.87 feet;

THENCE southeasterly along the arc of a curve concave to the left whose tangent bears South  $52^{\circ}42'24''$  East, having a radius of 3,000.00 feet, through a central angle of  $04^{\circ}36'14''$ , a distance of 241.06 feet to a point of tangent;

EXHIBIT F – Continued

THENCE South 57°18'38" East, a distance of 671.99 feet to the West line of the said Southeast quarter of Section 30 at a point 506.69 feet South of the Northwest corner;

THENCE continuing South 57°18'38" East, a distance of 486.77 feet to a point of curve;

THENCE following the arc of a curve concave to the right, having a radius of 20,000.00 feet through a central angle of 07°58'19", a distance of 2,782.73 feet to the East line of said South half of Section 30;

THENCE South 00°01'47" East along said East line, a distance of 211.41 feet to the POINT OF BEGINNING.

Containing 61.71 acres, more or less.

Assessor's Parcel No. 729-100-009

PARCEL NO. 22

A portion of the Northwest quarter of Section 34, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

BEGINNING at the center of said Section, thence along the South line of the Northwest quarter of said Section, North 89°58'10" West, 204.54 feet to the northerly right-of-way line of the Southern Pacific Railroad Company;

THENCE along said Northerly right-of-way line, North 39°48'45" West, 633.28 feet;

THENCE along a line that is perpendicular to said northerly right-of-way line, North 50°11'15" East, 450.00 feet to a line that is parallel with and 450.00 feet northeasterly from (as measured at right angles) said northerly right-of-way line;

THENCE along said parallel line South 39°48'45" East, 404.32 feet to the East line of said Northwest quarter of Section 34;

THENCE along said East line of the Northwest quarter of Section 34, South 00°40'33" East, 464.14 feet to the POINT OF BEGINNING.

Containing 6.29 acres, more or less.

Assessor's Parcel No. 723-220-003

EXHIBIT F – Continued

PARCEL NO. 23

A portion of the Northeast quarter and a portion of the Southeast quarter of Section 34, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

BEGINNING at the Southwest corner of said Northeast quarter;

THENCE South 00°45'24" East, along the West line of said Southeast quarter, 49.75 feet;

THENCE North 38°54'06" East, 332.70 feet;

THENCE North 39°53'36" West, 336.41 feet to a point on the West line of said Northeast quarter;

THENCE South 00°45'24" East, along the West line of said Northeast quarter, 467.32 feet to the POINT OF BEGINNING.

Containing 1.26 acres, more or less.

Assessor's Parcel Nos. 723-230-001 and 723-240-006

PARCEL NO. 24

Lots 61, 62, 63 and 64 in Block 1 of Date Palm Beach Unit No. 1 as shown by map on file in Book 18, Page 9 of Maps, Records of Riverside County, California

Containing 0.46 acre, more or less.

Assessor's Parcel Nos. 723-261-008, 723-261-009 and 723-261-020

PARCEL NO. 25

Lots 119, 120, 121 and 122 of Date Palm Beach Unit No. 1 as shown by map on file in Book 18, Page 9 of Maps, Records of Riverside County, California.

Containing 0.46 acre, more or less.

Assessor's Parcel Nos. 773-262-008, 773-262-009 and 773-262-010.

PARCEL NO. 26

Lots 175 and 176 in Block 1 of Date Palm Beach, as shown by map on file in Book 18, Page 9 of Maps, Records of Riverside County, California.

Containing 0.23 acre, more or less.

Assessor's Parcel Nos. 773-263-009 and 773-263-010

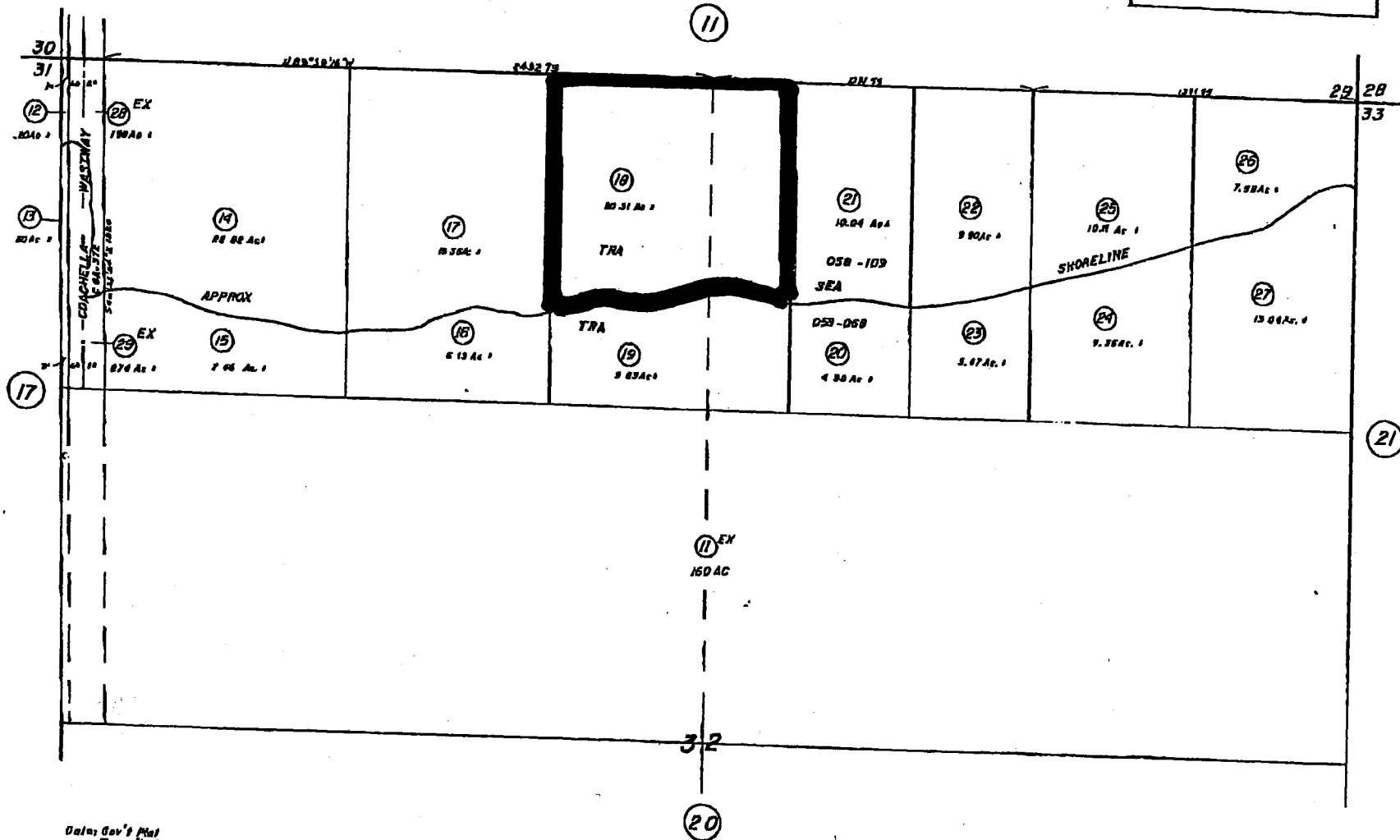
**TOTAL ACREAGE OF 1,820.66 ACRES, MORE OR LESS**

725-19

26-11

T.R.A 058-068  
058-109

N1/2 SEC. 32, T7S, R10E

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLYData: Gov's Map  
Type No. 88  
A A Cohn's Combination Maps

NOV. 1956

ASSESSOR'S MAP BK. 725 PG. 19  
RIVERSIDE COUNTY, CALIF  
sk

PARCEL 1

EXHIBIT "F-1"  
Parcel Maps  
Parcels 1-26

T-211 P.007/026 F-545

+908 584 9583

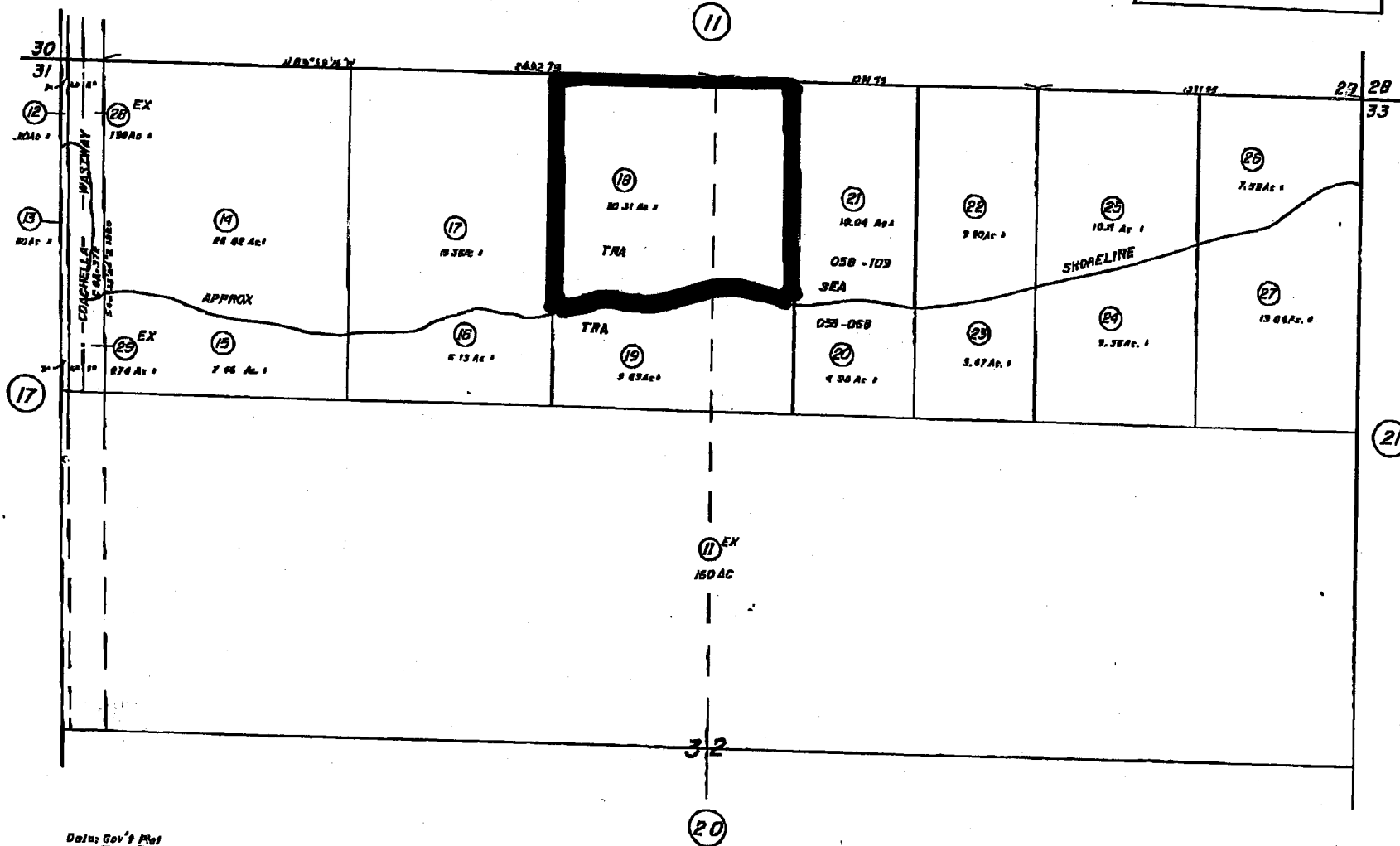
FROM-Redwine &amp; Sherrill

10:30

OCT-01-03

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

**OCT-01-03**



DATE	OLD No	NEW No
5/31	1	12, 13
"	2	14, 15
"	3	16, 17
"	4	18, 19
"	5	20, 21
"	7	22, 23
"	8	24-25
"	9	26, 27
6/31	10	28, 29

**Data: Gov't Plots  
Topo Maps  
A A General Combination Maps**

NOV. 1966

ASSESSOR'S MAP BK. 725 PG. 19  
RIVERSIDE COUNTY, CALIF.  
\$\*

# PARCEL 1

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1



OCT-01-03 10:30

FROM-Redwine & Sherrill

+808 684 8583

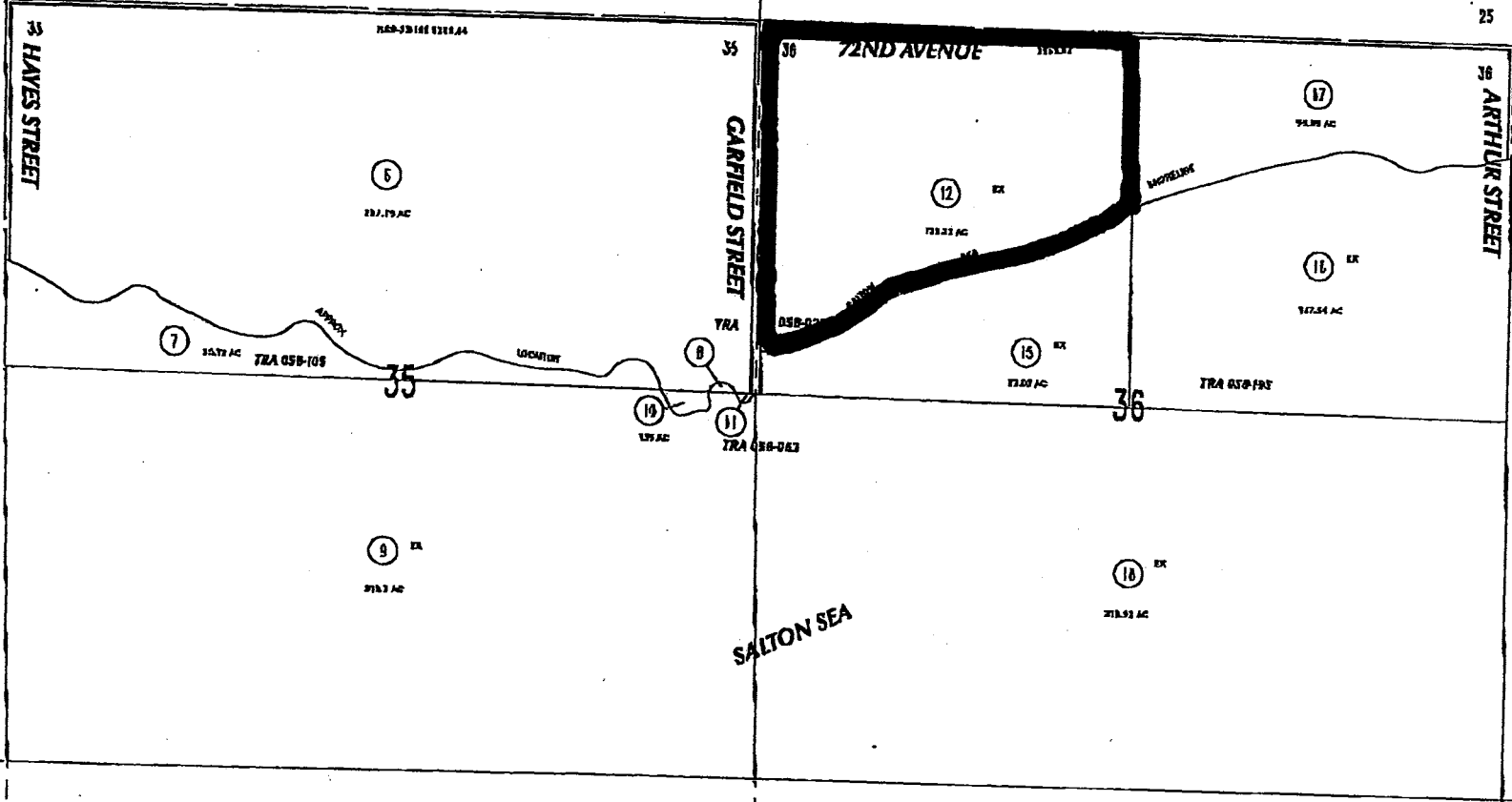
T-211 P.008/026 F-645

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

SEC.35 36 T.7S.,R.9E

T.R.A. 058-021  
058-105  
058-063

729-17



ASSESSOR'S MAP 0K719 PG.17  
Riverside County, Calif. 008

APR 05 2001  
Mar 2001

DATE	OLD MAP#	NEW MAP#
04/01/01	1	1-1
04/01/01	2	1-2
04/01/01	3	1-3
04/01/01	4	1-4
04/01/01	5	1-5
04/01/01	6	1-6
04/01/01	7	1-7
04/01/01	8	1-8
04/01/01	9	1-9
04/01/01	10	1-10
04/01/01	11	1-11
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04/01/01	16	1-16
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PARCEL 2

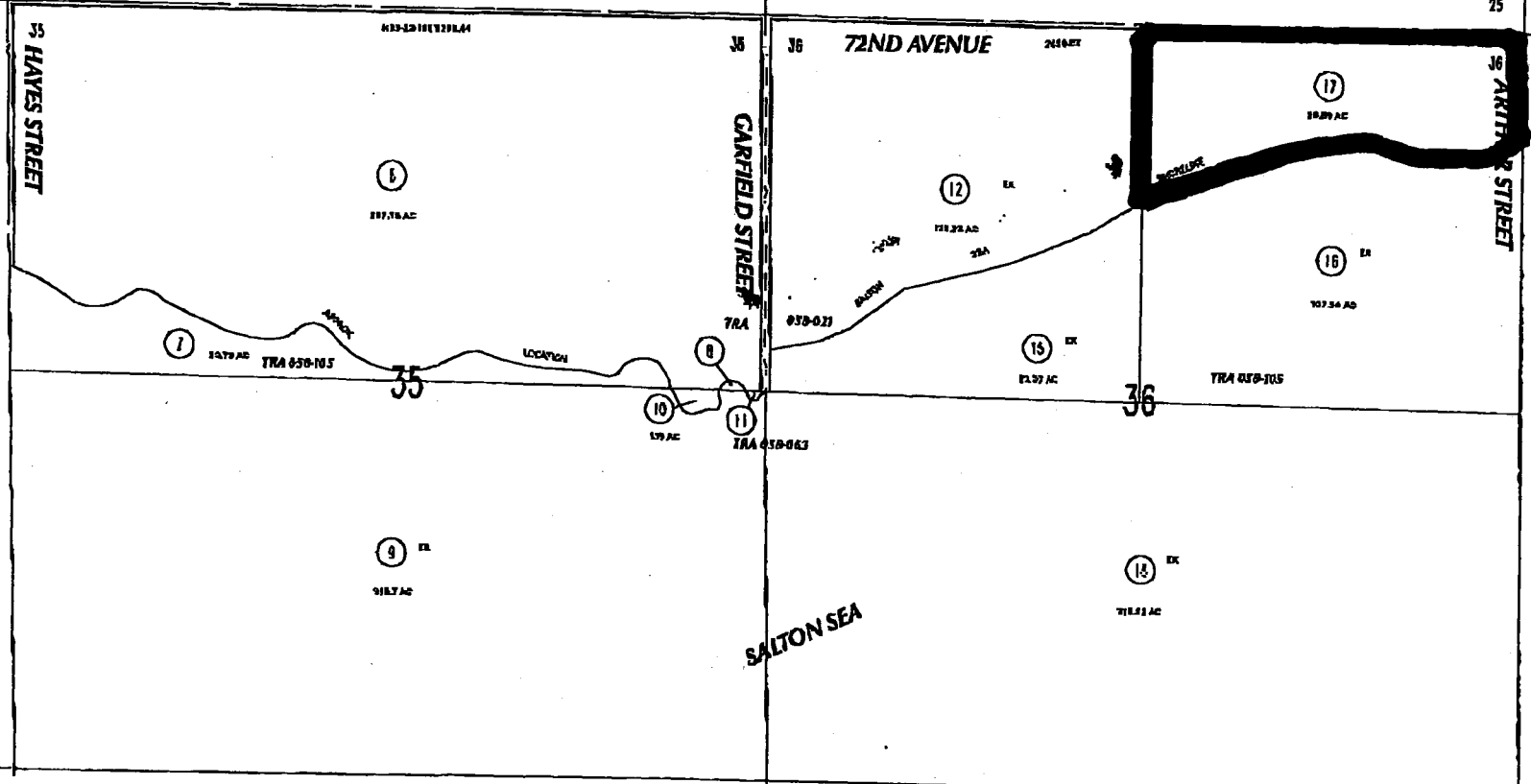
THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSURED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PICTURE MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE COORDINATES.

SEC. 35 36 T. 7S., R. 9E

T.R.A. 058-021  
058-105  
058-063

729-17

OCT-01-03 10:30 FROM-Redwine & Sherrill +809 684 8583 T-211 P.009/026 F-645



Line = 0'

DATA: ETO, SALTON SEA, T.R.A. 058-021, 058-105, 058-063

ASSESSOR'S MAP E2713 Pg. 17  
Riverside County, Calif.

BBB

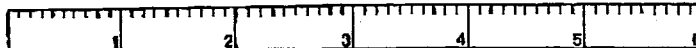
APR 05 2001  
Map 1301

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01/01/01	95	95	95-1
01/01/01	96	96	96-1
01/01/01	97	97	97-1
01/01/01	98	98	98-1
01/01/01	99	99	99-1
01/01/01	100	100	100-1

PARCEL 3

12 582 Miles

1-800-345-7334

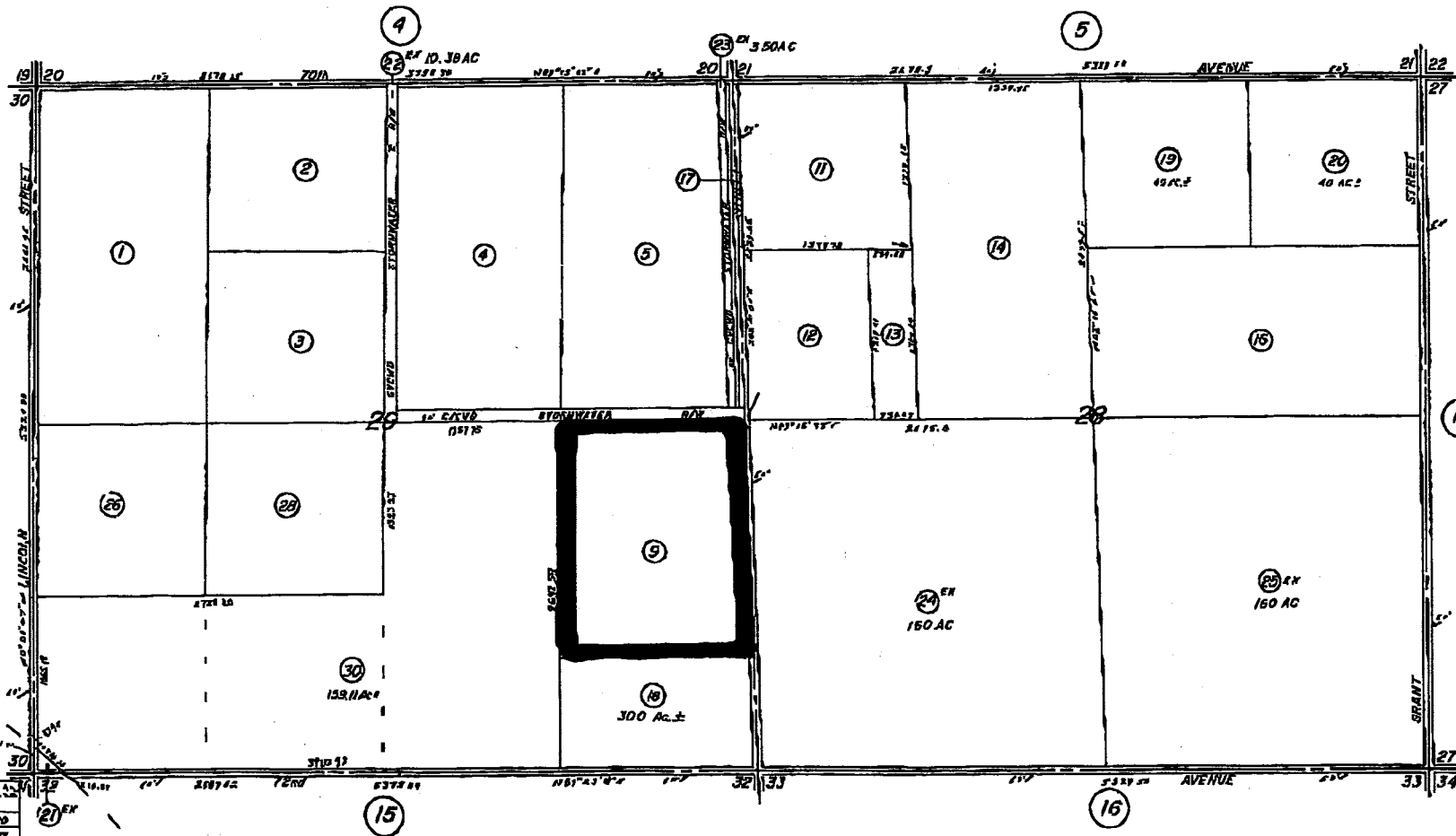


SCALE IN 1/10 OF AN INCH

729-11  
26-8

T. C. A. 5817  
5821

SECS. 28 & 29, T.7S, R.9E



DATE	OLD No.	NEW No.
7-21-11	1	11
8-7-73	8	15, 20
8-7-73	8	25-27
8-7-73	8	28-29
8-7-73	8	30

DATA: G.L.O. PLAT, R/S 8/47, 9/39, 39/39 80' Rds. per Insl.  
CYCWD R/W E-C-60 32692 6/59  
R.S. 103/75

DEC. 1966

ASSESSOR'S MAP BK. 729 PG. 11  
RIVERSIDE COUNTY, CALIF.

**PARCEL 4**

2.609 Miles

F-645

T-211 P. 010/026

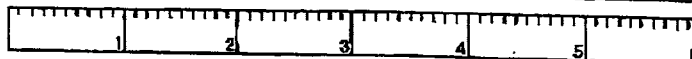
+909 684 9583

FROM-Redwine & Sherrill

10:30

OCT-01-03

1-800-345-7334

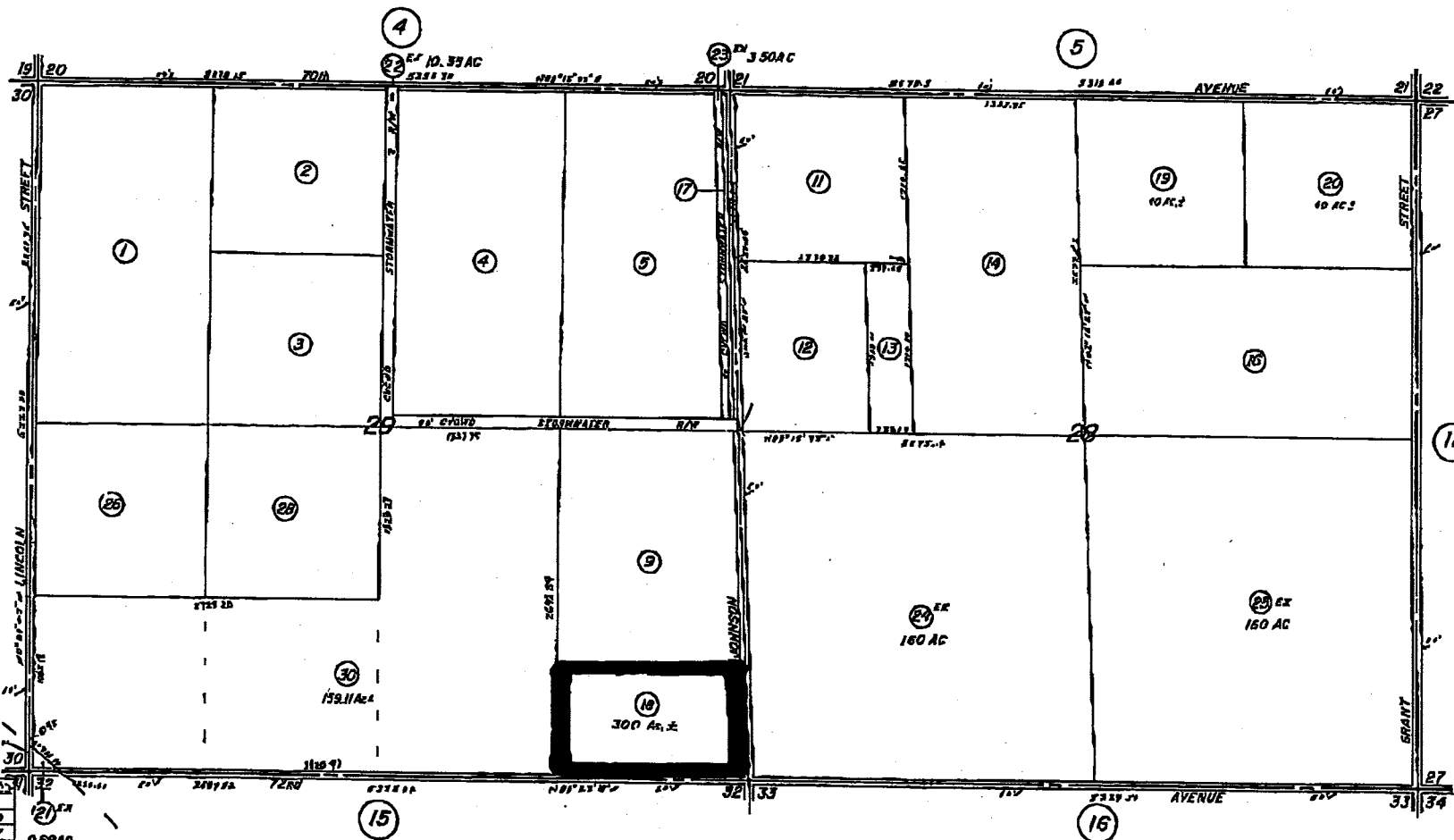


SCALE 1/10 OF AN INCH

729-11  
26-8

T. C. A. 5817  
5821

SECS. 28 & 29, T.7S, R.9E



DATE	OKD NO.	REV.
5/24/64	1	17
8/7/73	2	17, 20
2/29/78	3	24, 27
1/1/79	4	28, 29
1/1/79	5	30

DATA: G.L.D. PLAT, R/S 8/47, 9/39, 53/59 60' Rds. per lot.  
CVCWD R/W 2-C-60 52692 4/79  
R/S 10/75

DEC. 1966

MAP 0 F 1300

ASSESSOR'S MAP BK. 729 PG. 11  
RIVERSIDE COUNTY, CALIF.

**PARCEL 5**

F-645

T-211 P.011/026

+809 684 9583

FROM-Redwine & Sherrill

10:31

OCT-01-03

25-19

TRA 058-038  
058-039  
058-107

*N1/2 SEC. 28, T.8S, R.9E*

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

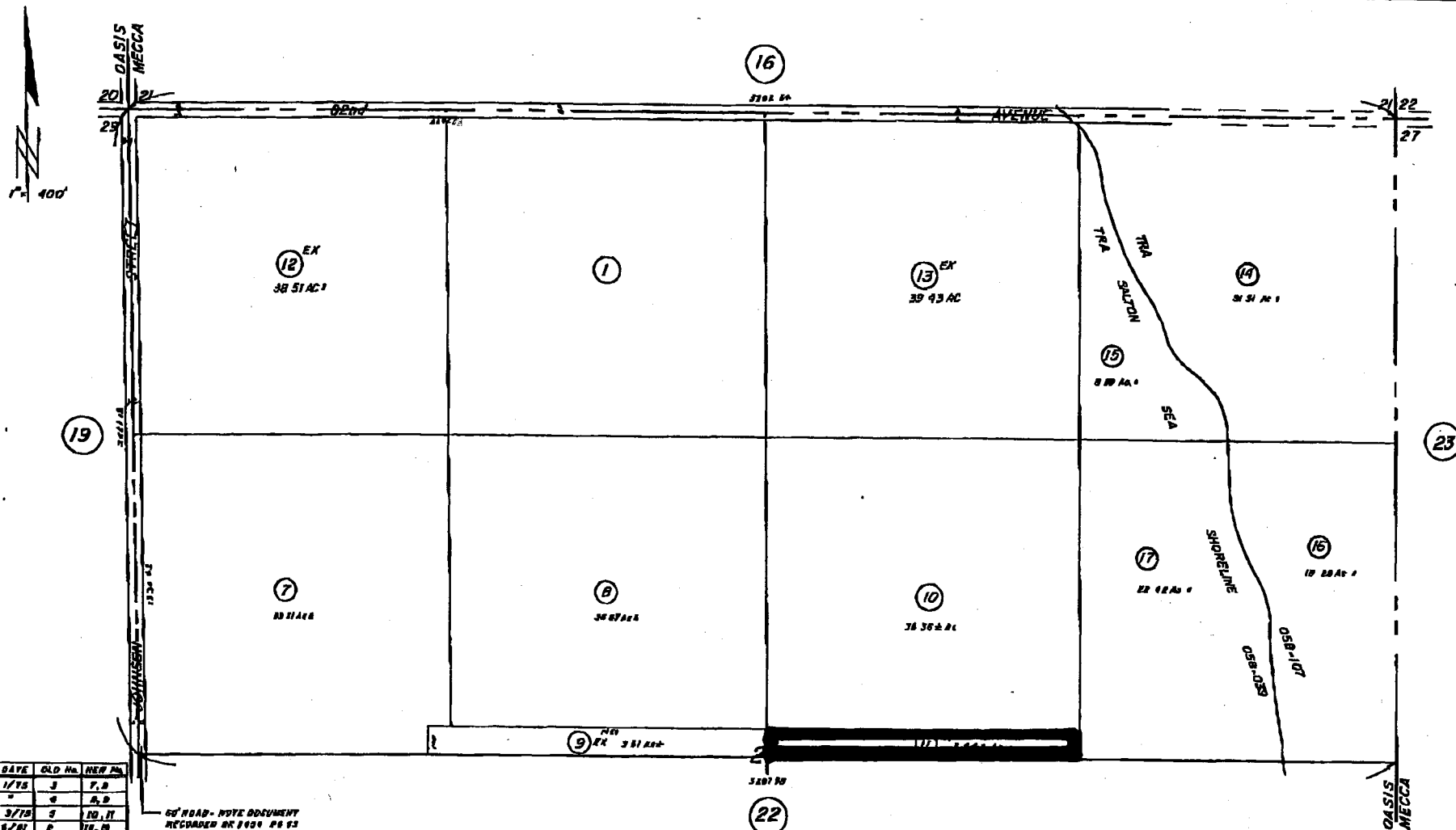
**T-211 P.012/028 F-645**

**+909 684 9583**

**FROM-Redwine & Sherrill**

**10:31**

**OCT-01-03**

[illegible]

**DATA: GOV'T. PLATS, R/S 17/31**

60' Rds per msf  
J2692 4/59

**SEPT 1965**

ASSESSOR'S MAP BK. 737 PG. 21  
RIVERSIDE COUNTY, CALIF. PG

## PARCEL 6

1.304 Miles

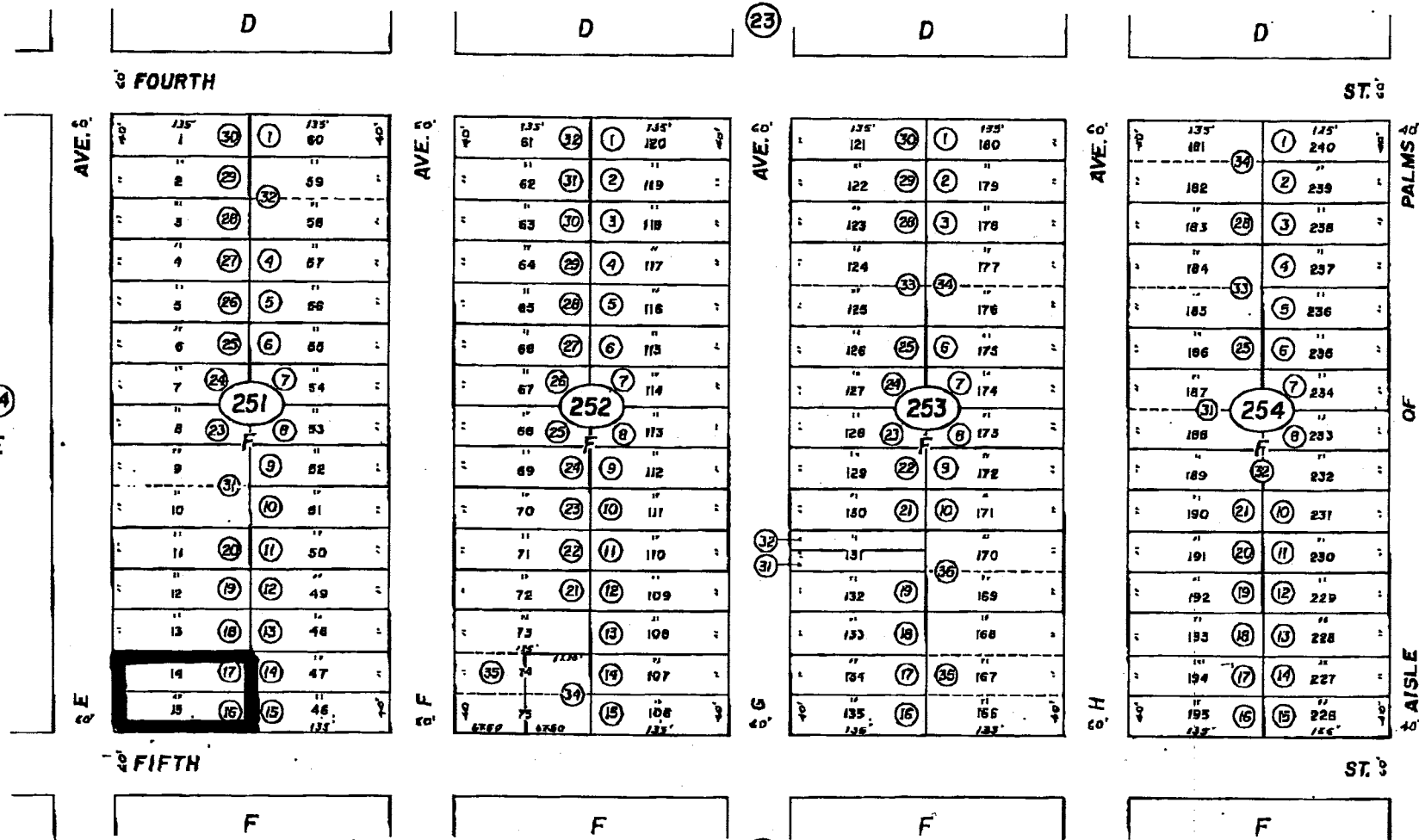
POR. BOMBAY BEACH TRACT

W 1/2 SEC 33 T.9 S., R.12 E.

OM 5-39

Tax Area Code  
58-002

2-25



4-28-94 LS  
4-6-95 RM  
4-4-89 RM  
1-16-85 LS  
3-1-85 LS

COOAMAP, a product of BIT INCORPORATED

**DISCLAIMER**  
THIS IS NOT AN OFFICIAL MAP.  
THIS MAP WAS CREATED FOR THE IMPERIAL COUNTY  
ASSESSOR, FOR THE SOLE PURPOSE OF AIDING IN  
THE DETERMINATION OF THE LOCATION OF THE TRACTS.  
ANY ERRORS OR OMISSIONS IN THIS MAP ARE THE  
RESPONSIBILITY OF THE COUNTY OF IMPERIAL  
OR THE ASSESSOR. (REV. 4 MAY, 1994 SEC. 377)

**DISCLAIMER**

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THE DETERMINATION OF THE LOCATION OF THE TRACTS.  
ANY ERRORS OR OMISSIONS IN THIS MAP ARE THE  
RESPONSIBILITY OF THE COUNTY OF IMPERIAL  
OR THE ASSESSOR. (REV. 4 MAY, 1994 SEC. 377)

NOTE - Assessor's Block Numbers Shown in Ellipses.  
Assessor's Parcel Numbers Shown in Circles.

Assessor's Map Bk.2-Pg.25  
County of Imperial, Calif.

AUG 23 1994

PARCEL 7

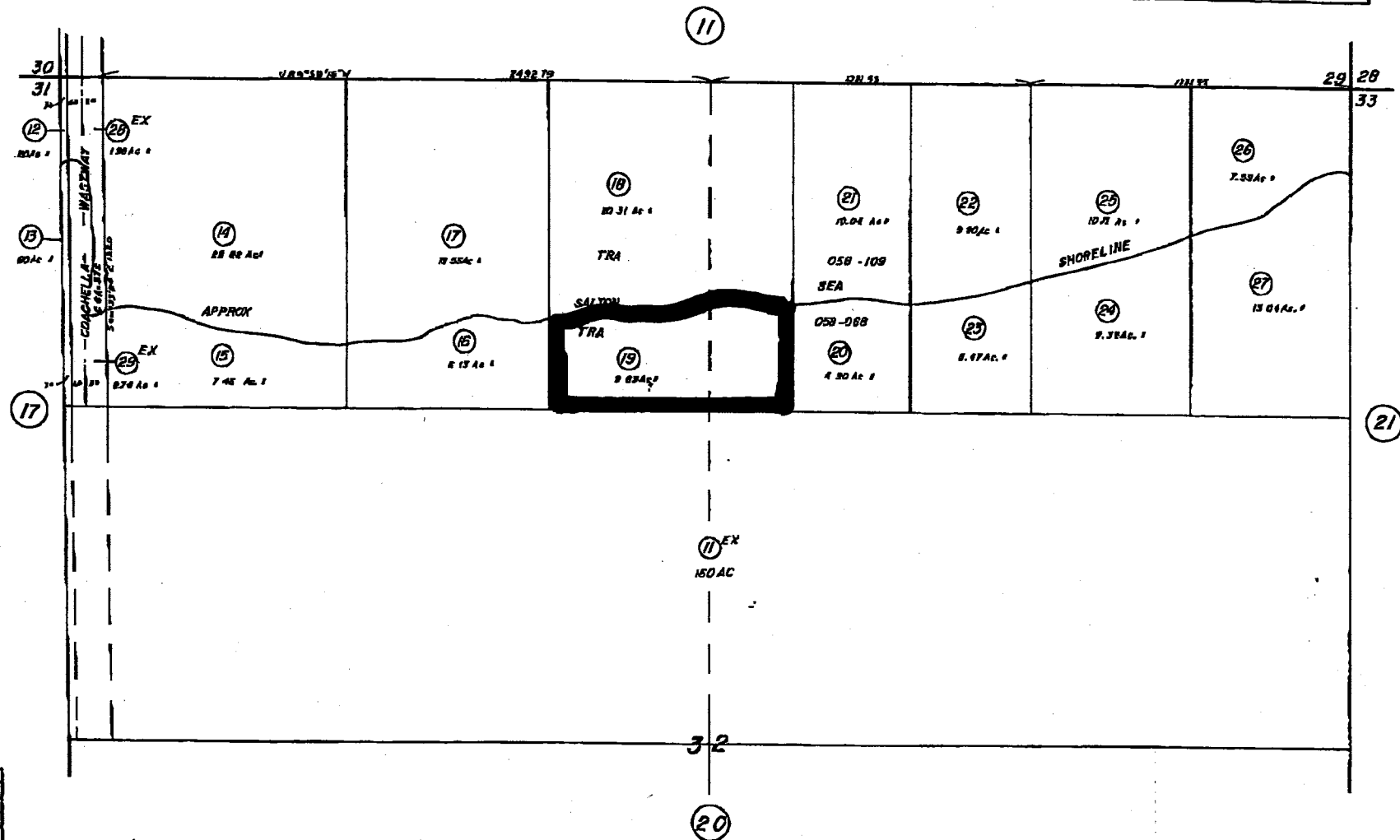
725-19  
25-11

T.R.A 05B-068  
05B-109

N1/2 SEC. 32, T7S, R10E

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

T-211 P.017/026 F-645  
+909 684 9593  
FROM-Redwine & Sherrill  
10:31  
OCT-01-03



DATE	OLD No.	NEW No.
8/91	1	19, 20
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"	3	10, 17
"	4	15, 19
"	5	20, 21
"	6	22, 23
"	7	24, 25
"	8	26, 27
8/91	19	20, 18

Data: Gov't Proj  
Tops No. 89  
A A Canal Combination Maps

NOV. 1966

ASSESSOR'S MAP BK. 725 PG. 19  
RIVERSIDE COUNTY, CALIF.  
SA

**PARCEL 8**

**26-0,9**

TRA 058-021  
058-063  
058-108  
058-105

**SECS. 33 & 34, T.7S, R.9E**

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

**T-211 P.018/026 F-645**

**+909 684 9583**

**FROM-Redwine & Sherrill**

10:31

**OCT-01-03**

[illegible]

DATA: BL D FLAT, R/S 7/98, GVCWD R/W 2-C.60  
SALTON SEA 25-B-B

60' Ads per inst  
32692 4/59

**DEC 1966**

ASSESSOR'S MAP BK. 729 PG. 16  
RIVERSIDE COUNTY, CALIF.

## PARCEL 9



**26-8,9**

TRA 058-021  
058-063  
058-108  
058-105

**SECS. 33 & 34, T.7S, R.9E**

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

**T-211 P.019/026 F-645**

**+909 684 9583**

**FROM-Redwine & Sherrill**

10:31

**OCT-01-03**

[illegible]

DATA: 010 PLAT, R/S 7/98, FVCWD R/W 2-C.60  
SALTON SEA 26-B-5

**DEC 1966**

60' Rds per ins)  
32692 4/59

ASSESSOR'S MAP BK. 729 PG. 16  
RIVERSIDE COUNTY, CALIF. 7c

# PARCEL 10

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSURED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S OFFICE MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

SEC. 35 36 T. 7S., R. 9E

T.R.A. 058-021  
058-105  
058-063

729-17

725  
09

1/4" = 8'

725  
17

725  
18

735  
02

T-211 P.020/026 F-645

+909 684 9583

FROM-Redwine & Sherrill

10:31

OCT-01-03

27 26

26 25

35 30

31

35 HAYES STREET

72ND AVENUE

35 ARTHUR STREET

CARFIELD STREET

SALTON SEA

6

297.71 AC

12

136.23 AC

17

30.99 AC

16

272.14 AC

7

25.79 AC TRA 058-405

8

11

1.11 AC

TRA 058-962

15

24.07 AC

18

179.11 AC

9

218.7 AC

737  
03

NOTES: 1. SALTON SEA 11-1-1-1  
2. FOR 1151 12/21 1/5

ASSESSOR'S MAP BK719 PG. 17  
Riverside County, Calif.

000

APR 05 2001  
MAY 2001

DATE	DESCRIPTION	DATE
1/1/01	1	6-1
2/1/01	2	7-11
3/1/01	3	12-13
4/1/01	4	15-16
5/1/01	5	18-19
6/1/01	12, 14, 15	20-21

PARCEL 11

729-17  
25-9 1

AKTH &amp; STREET

**CARFIELD STREET**

**SALTON SEA**

DATE: 6101 SUNDAY SEA 26-6-61  
235 FOR INSN 97997 (1/1)

ASSISTOR'S MAP BK729 PG. 17  
Silver Lake Conn., Coll.

APR 05 2001  
Mor 2001

DATE	OLD NAME	NEW NAME
8/1/77	1	8-1
8/1/77	2	8-1
8/1/77	3	12-1
8/1/77	4	16-1
8/1/77	5	17-2
8/1/77	19, 20, 21	Q12

# PARCEL 12

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SIDE REQUIREMENTS.

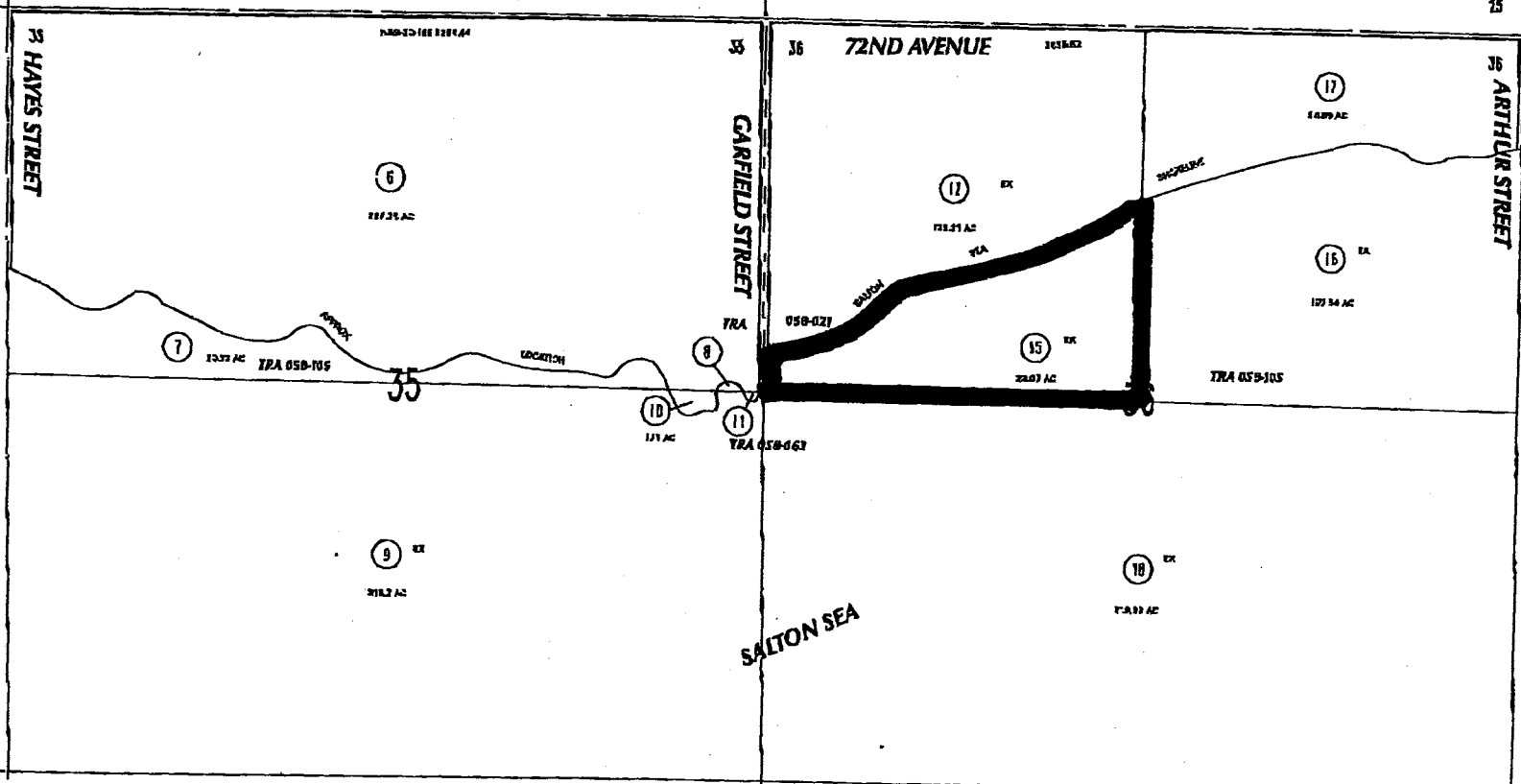
SEC. 35 36 T. 7S. R. 9E

14

I.R.A. 058-021  
058-105  
058-063

729-17

OCT-01-03 10:31 FROM-Redwine & Sherrill +808 684 9583 T-211 P-022/026 F-645



ASSESSOR'S MAP BK729 PG. 17  
Riverside County, Calif.

BBB

APR 05 2001  
Mor 2001

DATE	DR. NUMBER	NEW PARCEL
07/01	1	0-0
07/01	2	0-11
07/01	3	11-13
07/01	4	13-17
07/01	5	17-18
07/01	6	18-19
07/01	7	19-20

PARCEL 13

2.582 Meters

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSURED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

SEC. 35 36 T. 7S., R. 9E

14

T.R.A. 058-021  
058-105  
058-063

729-17  
25-9

725  
09

1027-9

725  
17

725  
19

735  
02

35 HAYES STREET

GARFIELD STREET

31 ARTHUR STREET

72ND AVENUE

SANTON SEA

T-211 P. 023/026 F-645

+908 684 8583

FROM-Redwine & Sherrill

10-32

OCT-01-03

ASSESSOR'S MAP KCT21 PG. 17  
Riverside County, Calif.

BBB

DATA: 600-54101 54101 54101 54101

APR 05 2001  
Mar 2001

DATE	BY	REVISION
04/01/01	1	1-1
04/01/01	2	1-11
04/01/01	3	1-12
04/01/01	4	1-13
04/01/01	5	1-14
04/01/01	6	1-15

PARCEL 14

725-18

T. G. A. 058-063

SW/2 SEC. 31, T7S, R10E

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

T-211 P.024/026 F-645

+809 684 8583

FROM-Redwine & Sherrill

10:32

OCT-01-03



729  
17

17

20

735  
02

32  
6 5

SALTON  
(80)

SEA

(39.62)

(39.8)

DATE	OLD No.	NEW No.

Date Sent First

NOV. 1966

ASSESSOR'S MAP BK. 725 PG 18  
RIVERSIDE COUNTY, CALIF.  
SK

**PARCEL 15**

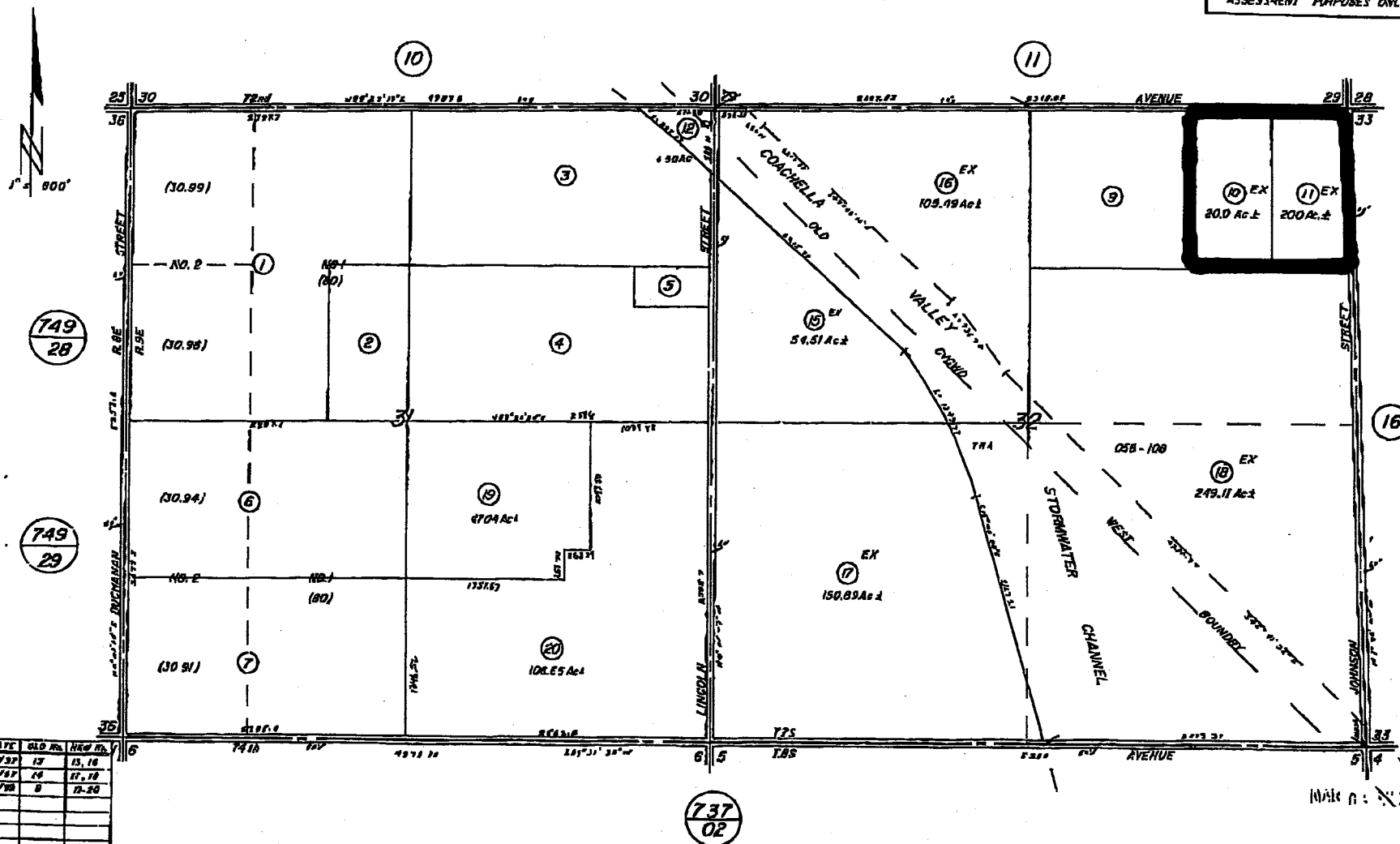
1.304 Miles

729-15  
26-B

T.R.A. 058-021  
058-053  
058-108  
038-124

**SECS. 31 & 32, T. 7S, R. 9E**

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY

[illegible]

DATA: GLD PLAT, CVCND R/W 2-C-60  
R/S 20/91, R&N3/58, R5 104/1

60' Adj. for INL?  
32692 4/59

DEC 1966

ASSESSOR'S MAP BK. 729 PG. 15  
RIVERSIDE COUNTY, CALIF. p6

## PARCEL 16

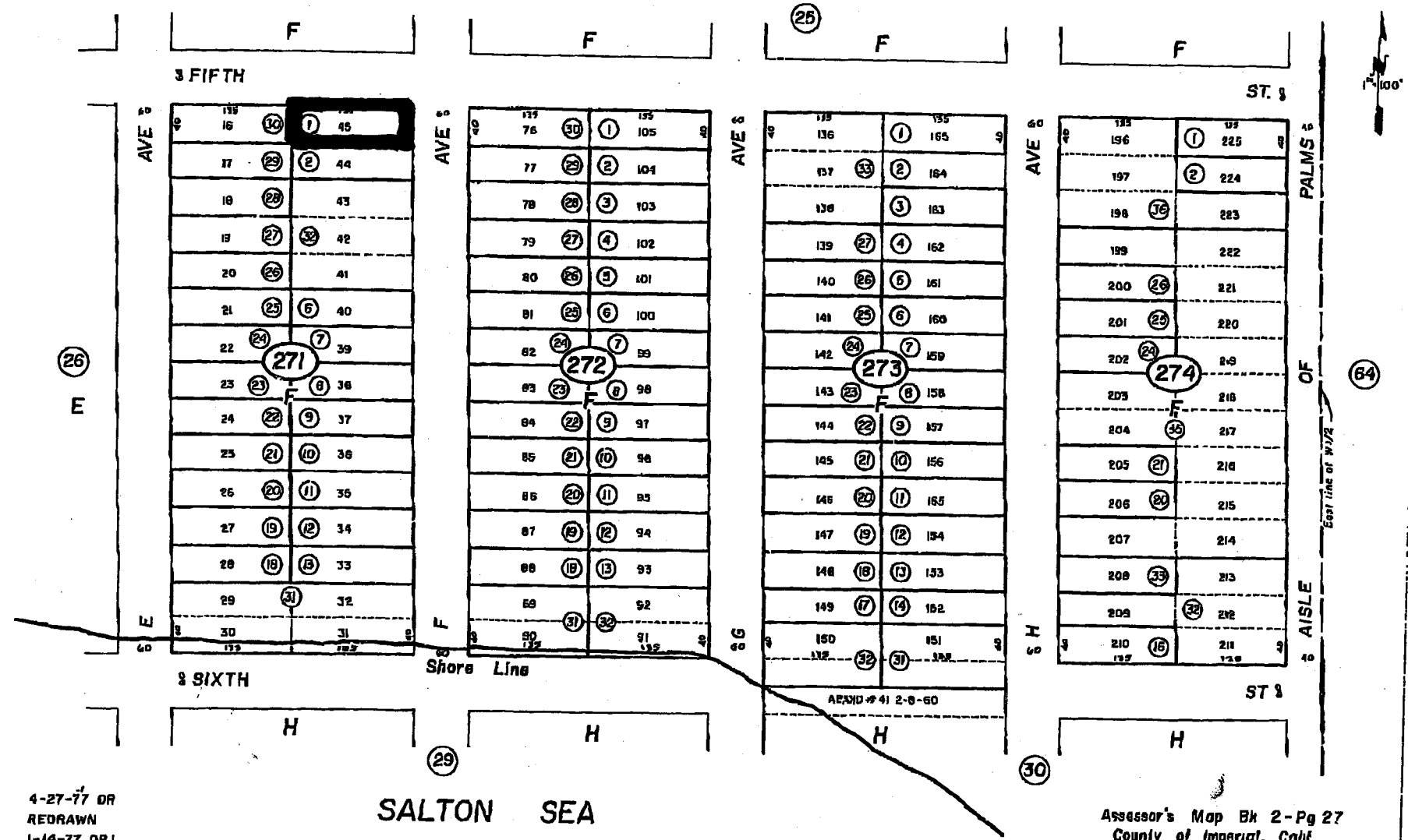
2.609 Miles

OCT-01-03 10:32 FROM-Redwine & Sherrill +809 684 9583 T-211 P.026/026 F-645

POR. BOMBAY BEACH TRACT  
W 1/2 SEC 33 T.9S., R.12E.  
OM 5-39

Tax Area Code  
58-002

2-27

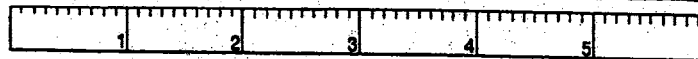


4-27-77 DR  
REDRAWN  
1-14-77, DRJ

Assessor's Map Bk 2-Pg 27  
County of Imperial, Calif



1-800-345-7334

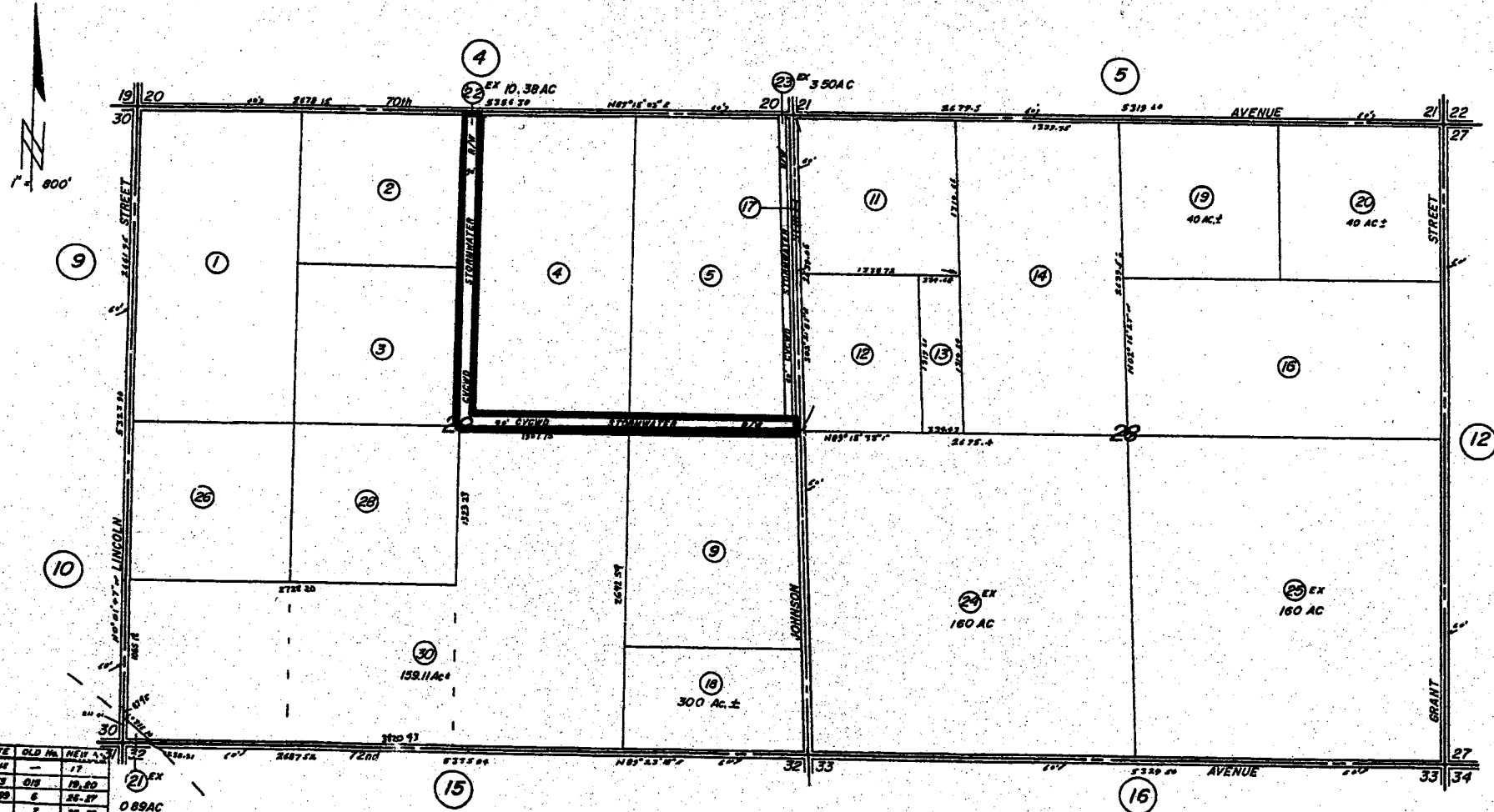


SCALE IN 1/16 OF AN INCH

729-11  
26-8

T. C. A. 5817  
5821

SECS. 28 & 29, T.7S, R.9E



DATE	OLD No.	NEW No.
7-24-48	17	
6-7-73	018	19-20
8-20	6	26-27
	7	28-29
	8, 22, 23	30

DATA: G.L.O. PLAT, R/S 8/47, 9/39, 59/58 60' Rds. per Inst.  
CVCWD R/W 2-C-60 32692 4/59  
RS 103/75

DEC. 1966

MAR 0 F 1969

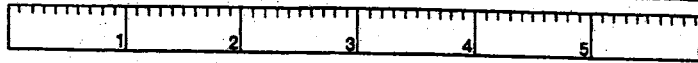
ASSESSOR'S MAP BK. 729 PG. 11  
RIVERSIDE COUNTY, CALIF.

**PARCEL 18**

2.609 Miles



1-800-345-7334

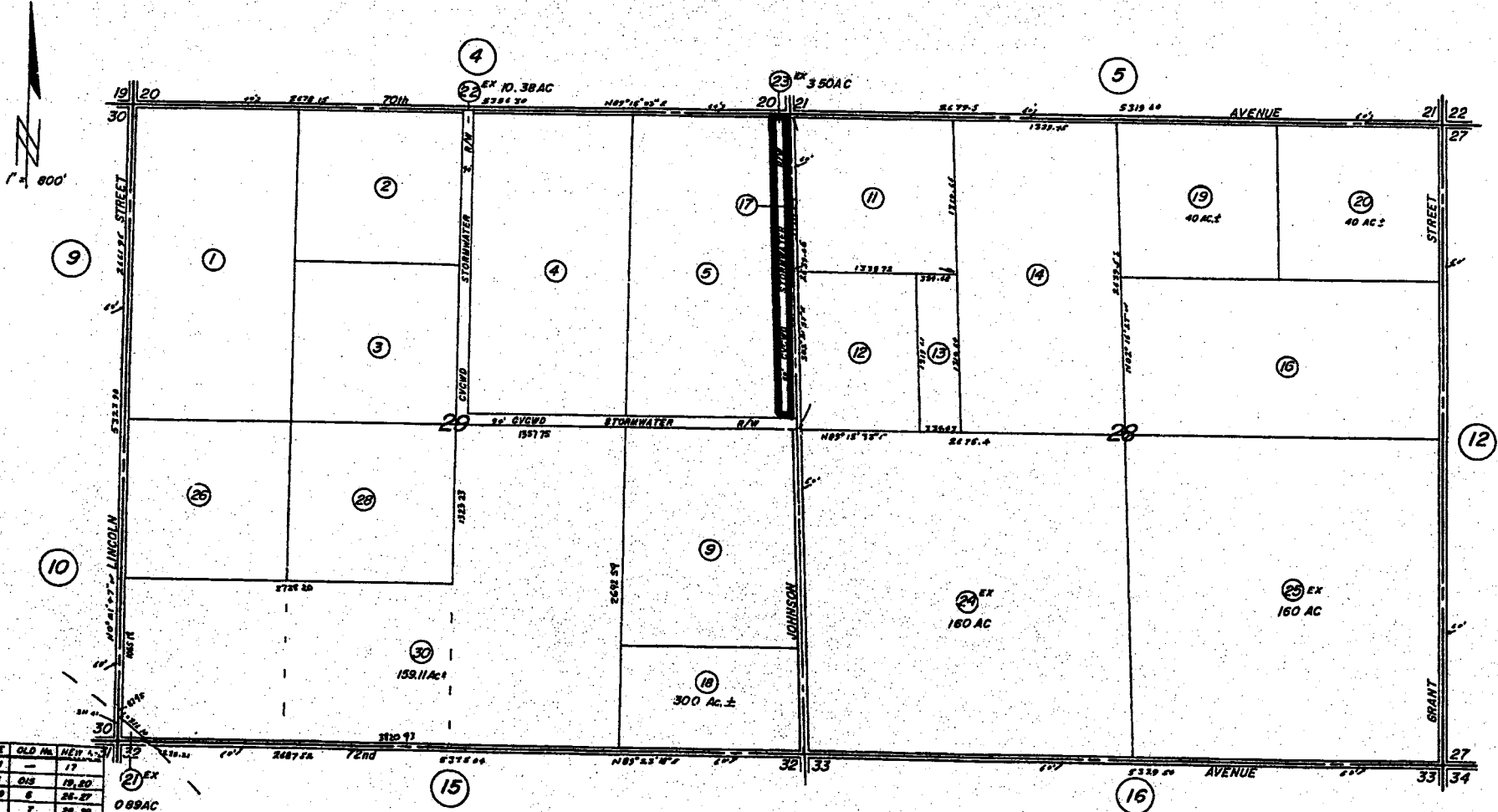


SCALE IN 1/16 OF AN INCH

729-11  
26-8

T. C. A. 5817  
5821

SECS. 28 & 29, T.7S, R.9E



DATE	OLD No.	NEW No.
7/24/48	17	
6/73	018	19, 20
2/79	6	24, 27
	7	28, 29
	8, 25, 29	30

DATA: G.L.O. PLAT, R/S 8/47, 9/39, 59/58  
CVCWD R/W 2-C-60  
RS 103/75

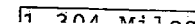
DEC. 1966

MAR 8 1969

ASSESSOR'S MAP BK. 729 PG. 11  
RIVERSIDE COUNTY, CALIF.

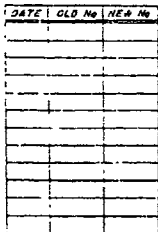
PARCEL 20

2.609 Miles



T C. A. 058-020  
058-028  
058-032  
058-083

THIS MAP IS FOR  
ASSESSMENT PURPOSES ONLY



MB 36/23-24 North Shore Beech Estates  
MB 54/76 Tr 3069

DATA 872-33-80

NOV 1966

ASSESSOR'S MAP BK 723 PG 22  
RIVERSIDE COUNTY, CALIF.

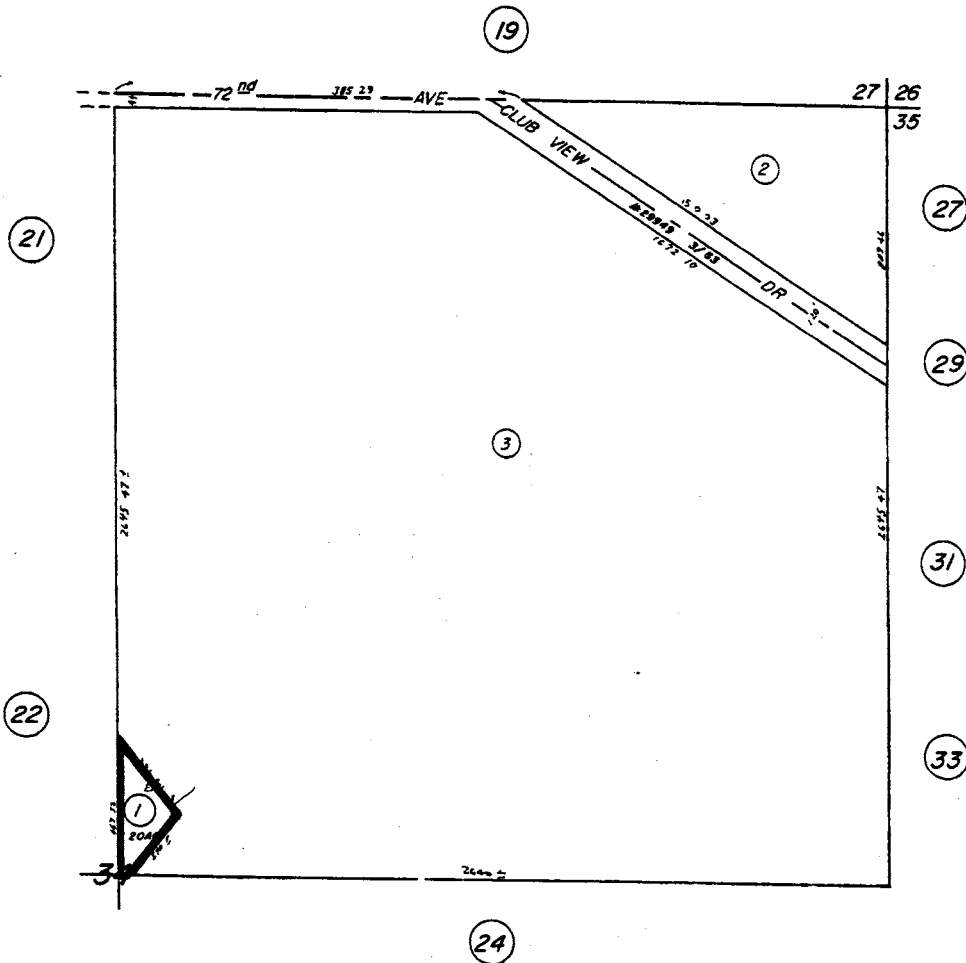
## PARCEL 22

3443.000 Feet.

723-23

T C. A. 5820

NE<sup>4</sup> SEC. 34 T.7S. R.10E.

[illegible]

NOV 1966

ASSESSOR'S MAP BK. 723 PG 23  
RIVERSIDE COUNTY, CALIF.

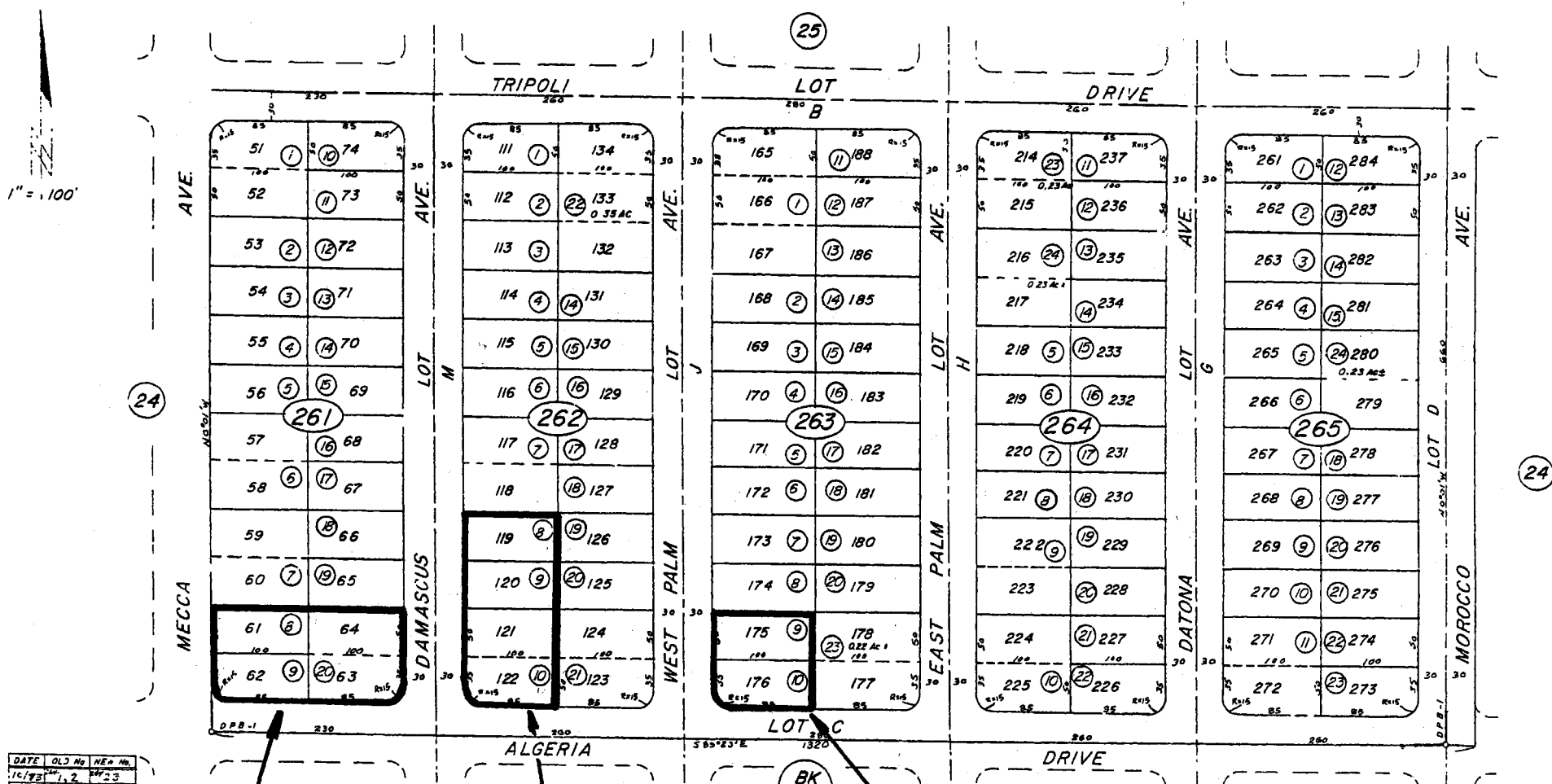
# PARCEL 23

1 304 Miles

723-26

T.C.A. 5826

SI/2 SW1/4 SE1/4 SEC. 34 T7S, R10E



DATE	OLD No	NEW No
10/23	1, 2	23
10/23	3, 4	24
11/76	25-26	265-266
12/76	27-28	CANCEL
11/76	29-30	"
11/76	31-32	"
11/76	33-34	"
11/76	35-36	"
11/76	37-38	"
11/76	39-40	"
11/76	41-42	"
11/76	43-44	"
11/76	45-46	"
11/76	47-48	"
11/76	49-50	"
11/76	51-52	"
11/76	53-54	"
11/76	55-56	"
11/76	57-58	"
11/76	59-60	"
11/76	61-62	"
11/76	63-64	"
11/76	65-66	"
11/76	67-68	"
11/76	69-70	"
11/76	71-72	"
11/76	73-74	"
11/76	75-76	"
11/76	77-78	"
11/76	79-80	"
11/76	81-82	"
11/76	83-84	"
11/76	85-86	"
11/76	87-88	"
11/76	89-90	"
11/76	91-92	"
11/76	93-94	"
11/76	95-96	"
11/76	97-98	"
11/76	99-100	"

MB 18/9 DATE PALM BEACH UNIT NO. 1

NOTE: STREETS NOT ACCEPTED AS PUBLIC STREETS

DEC 1966

**PARCEL 24**

**PARCEL 25**

**PARCEL 26**

ASSESSOR'S MAP BK. 723 PG 26  
RIVERSIDE COUNTY, CALIF.

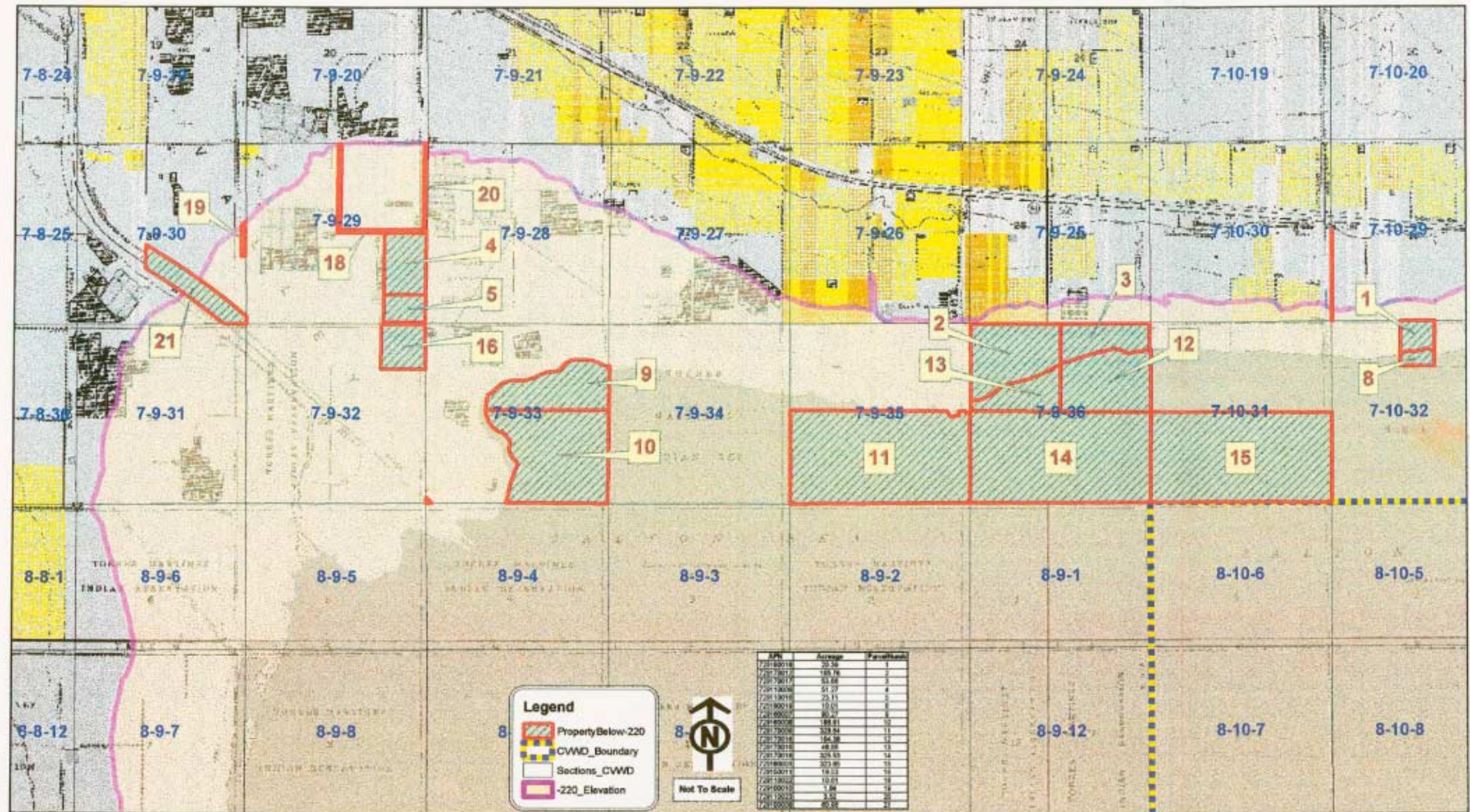
## Exhibit G



# Salton Sea IID Lawsuit Map

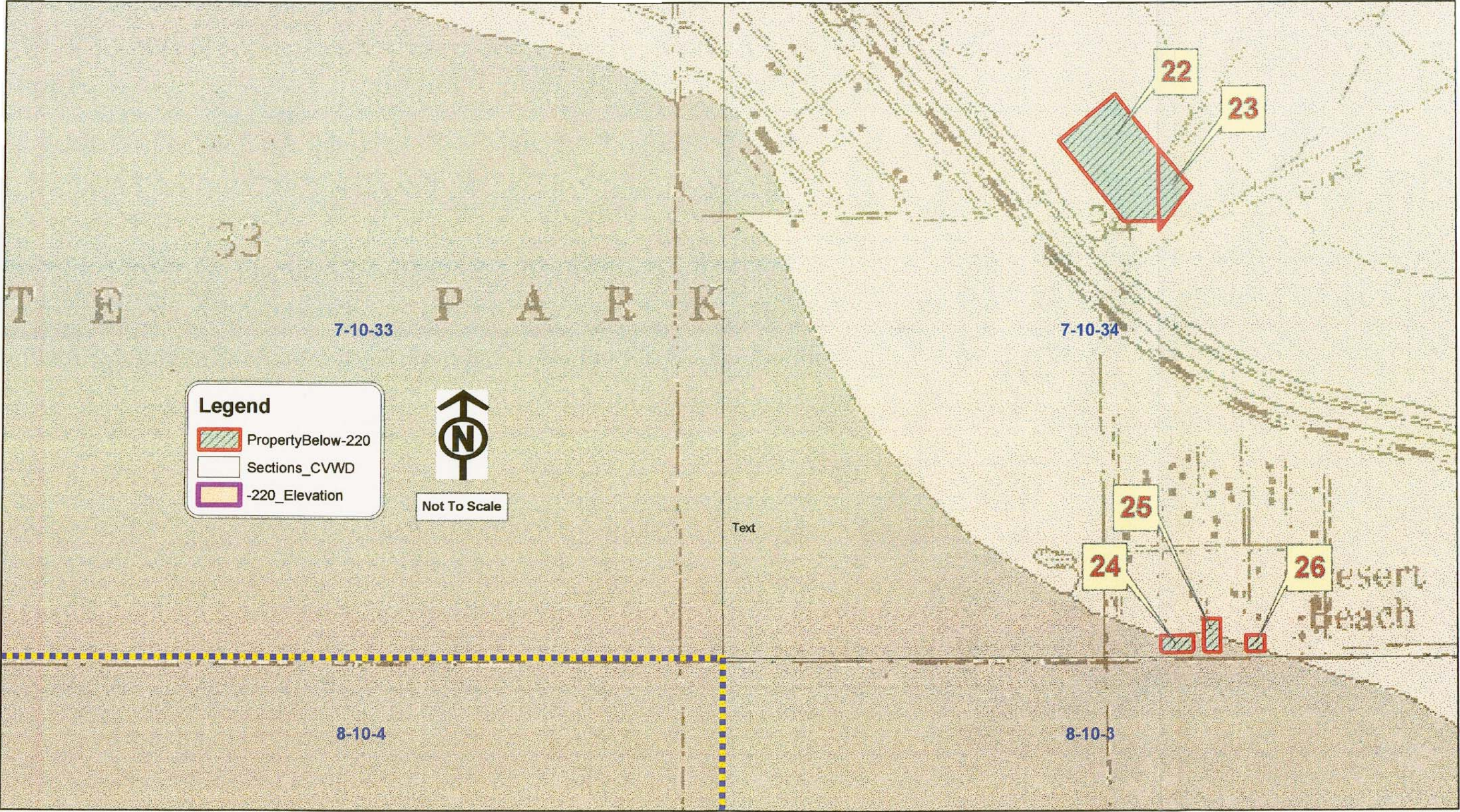
## Property Below the -220' Elevation

### Exhibit "G"-1



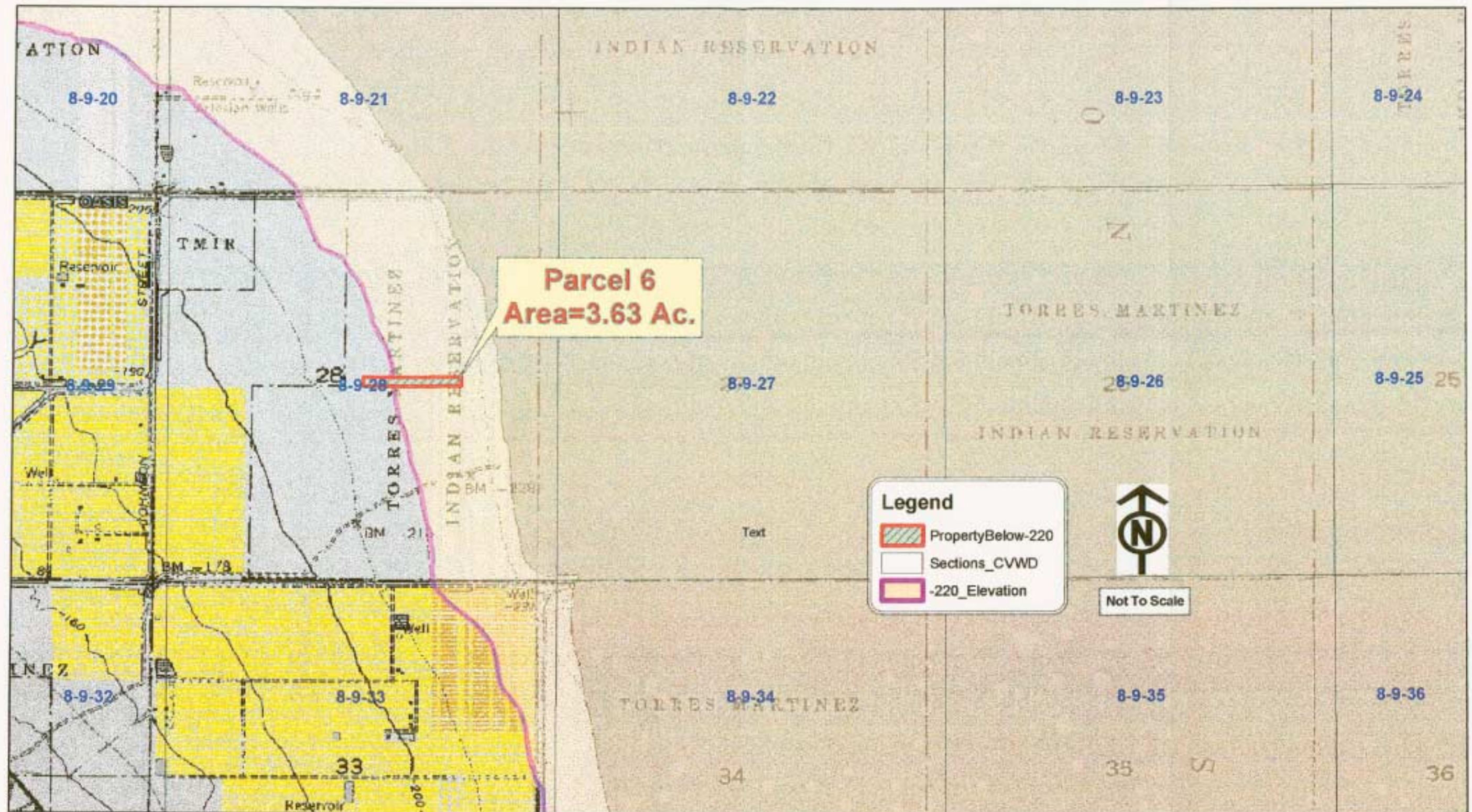


Salton Sea IID Lawsuit Map  
Property Below the -220' Elevation  
Exhibit "G" -2





Salton Sea IID Lawsuit Map  
Property Below the -220' Elevation  
Exhibit "G"-3

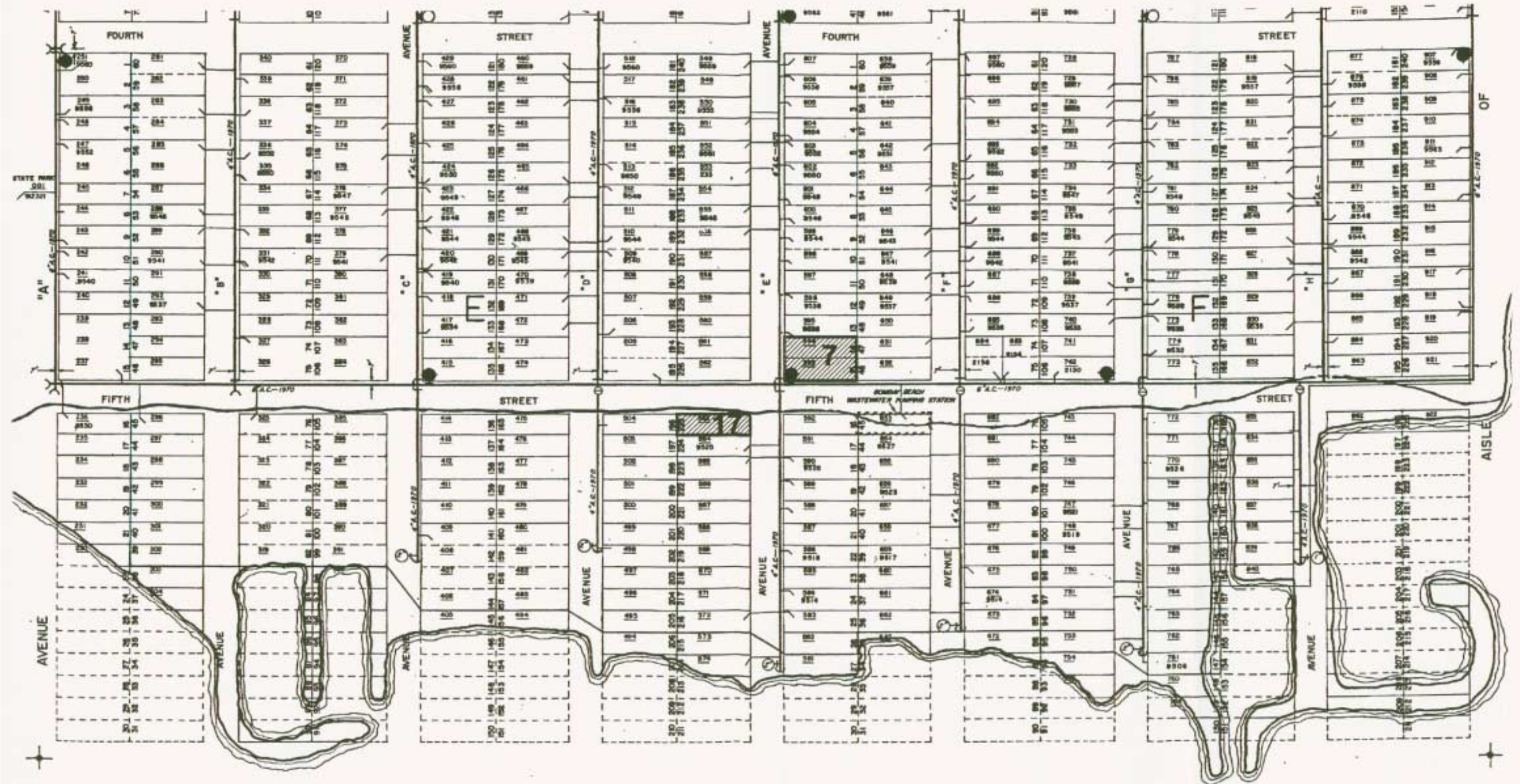




# Salton Sea IID Lawsuit

## Parcels 7 and 17 T9S,R12E, Sec. 33

### EXHIBIT "G" - 4





## Exhibit H

## EXHIBIT H

Description of the Lands to  
which IID has an Interest for  
Flooding and Drainage Purposes  
that lie below -220' ("IID  
Easements") (Paragraph 3-c)

[TO BE PROVIDED BY IID AND  
INSERTED AT A LATER TIME]

## Exhibit I

## EXHIBIT I

### DRAINAGE AND FLOOD EASEMENTS

#### PARCEL NO. 1

The West 30.00 feet of the East 60.00 feet of the East half of the Northeast quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian.

#### PARCEL NO. 2

The West 90.00 feet of the Northeast quarter of Section 35, Township 7 South, Range 9 East, San Bernardino Meridian.

#### PARCEL NO. 3

The Northwest quarter of Section 31, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

The West 90.00 feet of said Northwest quarter.

#### PARCEL NO. 4

The Northwest quarter of Section 33, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

The East 150.00 feet of the Northwest quarter of Section 33, Township 7 South, Range 10 East, San Bernardino Meridian.

#### PARCEL NO. 5

The Northwest quarter of the Northwest quarter of Section 33, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

The West 90.00 feet of said Northwest quarter of the Northwest quarter.

#### PARCEL NO. 6

The North 75.00 feet of the Northeast quarter of the Southwest quarter of Section 21, Township 8 South, Range 9 East, San Bernardino Meridian.



EXHIBIT I - Continued

PARCEL NO. 7

That portion of the South half of the South half of the Southwest quarter of Section 21, Township 8 South, Range 9 East, San Bernardino Meridian, described as follows:

BEGINNING at the Southwest corner of said parcel;

THENCE along the South line of said parcel, North 89°58' East 2,641.32 feet to the Southeast corner of said parcel;

THENCE North 0°02' West 25.00 feet;

THENCE South 89°58' West 2,441.32 feet;

THENCE North 82°52' West 201.56 feet to the West line of said parcel;

THENCE South 0°02' East 50.00 feet along said West line to the POINT OF BEGINNING.

PARCEL NO. 8

The West 90.00 feet of the Northeast quarter of Section 28, Township 7 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 9

The West 45.00 feet of the Southwest quarter of the Southeast quarter of Section 27, Township 7 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 10

The East 45.00 feet of the Southeast quarter of the Southwest quarter of Section 27, Township 7 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 11

That portion of the South half of the Southeast quarter of Section 30, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The West 120.00 feet of the East 150.00 feet of said portion of the Southeast quarter.

EXHIBIT I - Continued

PARCEL NO. 12

The North 62.50 feet of the Northwest quarter of the Northwest quarter of Section 34, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 13

The South 62.5 feet of the Northwest quarter of the Southwest quarter of Section 34, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 14

The North 75.00 feet of the Northwest quarter of the Southwest quarter of Section 21, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 15

All of Section 33, Township 7 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 16

That portion of the Southwest quarter of the Southwest quarter of Section 33, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

BEGINNING at the Southwest corner of said Section 33;

THENCE East along the South line of Section 33, a distance of 400.00 feet;

THENCE northwesterly to a point on the West line of Section 33, said point lying 400.00 feet North of the Southwest corner of Section 33;

THENCE South along the West line of Section 33 to the POINT OF BEGINNING.

PARCEL NO. 17

That portion of land lying in the Southeast quarter of the Northeast quarter of Section 28, Township 8 South, Range 9 East, San Bernardino Meridian, described as follows:

The South 120.00 feet thereof.

PARCEL NO. 18

The North 100.00 feet of the Northeast quarter of the Northeast quarter of Section 28, Township 8 South, Range 9 East, San Bernardino Meridian.

EXHIBIT I - Continued

PARCEL NO. 19

The North 100.00 feet of the Northeast quarter of the Northwest quarter of Section 28, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 20

The North 38.00 feet of the North half of the North half of the Northeast quarter, Section 33, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 21

The Southeast quarter of Section 7, Township 8 South, Range 9 East, San Bernardino Meridian, described as follows:

The South 100.00 feet of said Southeast quarter.

PARCEL NO. 22

That portion of land lying in the Government Lot 1 and the South 29.91 acres of Government Lot 2 of the Southwest quarter of Section 7, Township 8 South, Range 9 East, San Bernardino Meridian, described as follows:

The South 120.00 feet thereof.

PARCEL NO. 23

The North 55.00 feet of the West half of the Northwest quarter of the Northeast quarter of said Section 7, Township 8 South, Range 9 East, San Bernardino Meridian.

PARCEL NO. 24

That portion of Township 8 South, Range 9 East, San Bernardino Meridian, described as follows:

Parcel 1: The South 62.50 feet of Section 27.

Parcel 2: The North 100.00 feet of Section 27.

Parcel 3: The South 25.00 feet of the Southeast quarter of Section 21.

Parcel 4: The North 75.00 feet of the Southeast quarter of Section 21.

Parcel 5: The South 75.00 feet of the North half of Section 21.

Parcel 6: The North 62.50 feet of the South half of the North half of Section 17.

Parcel 7: The South 62.50 feet of the North half of the North half of Section 17.

EXHIBIT I - Continued

PARCEL NO. 25

That portion of the Southwest quarter of the Southeast quarter of Section 25, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The East 50.00 feet of the West 80.00 feet of said portion of the Southwest quarter of the Southeast quarter.

PARCEL NO. 26

That portion of the South half of the Southeast quarter of the Southeast quarter of Section 25, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The West 50.00 feet of the East 80.00 feet and the South 200.00 feet of the East 30.00 feet.

PARCEL NO. 27

That portion of Section 25, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The East 45.00 feet of the East half of the Southwest quarter of said Section 25.

PARCEL NO. 28

That portion of the East half of the Northwest quarter lying northeasterly of the Southern Pacific Railroad Company right-of-way of Section 25, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

The East 25.00 feet.

PARCEL NO. 29

That portion of the Northwest quarter lying North of the Southern Pacific Railroad Company right-of-way of Section 25, Township 7 South, Range 9 East, San Bernardino Meridian, described as follows:

A strip of land 50.00 feet in width adjacent to and parallel to the northerly right-of-way line of the Southern Pacific Railroad Company and extending from the West line to the East line of said Northwest quarter.

EXHIBIT I - Continued

PARCEL NO. 30

A portion of the Northeast quarter of Section 31, Township 7 south, Range 9 East, San Bernardino Meridian, described as follows:

BEGINNING in the Northeast corner of Section 31, Township 7 South, Range 9 East, San Bernardino Meridian;

THENCE South  $0^{\circ}01'47''$  East along the East line of said Section 31, a distance of 589.11 feet;

THENCE North  $47^{\circ}48'10''$  West, a distance of 1.96 feet to a point of curve;

THENCE continuing northwesterly along the arc of a curve to the left having a radius of 19,400.00 feet through a central angle of  $2^{\circ}37'12''$ , a distance of 887.12 feet to the North line of said Section 31;

THENCE North  $89^{\circ}23'18''$  East along the said North line of Section 31, a distance of 671.67 feet to the POINT OF BEGINNING.

PARCEL NO. 31

All that certain real property situated in said County and State and being all that part of the Southwest quarter of Section 29, Township 7 South, Range 9 East, San Bernardino Meridian, that is bounded as follows, to-wit:

BEGINNING at the Southwest corner of said Section 29, running thence North  $2^{\circ}30'$  East along the West line of said section, 262.05 feet;

THENCE South  $46^{\circ}39'30''$  East, 390.88 feet to the South line of said section;

THENCE North  $88^{\circ}44'38''$  West along said South line of said section to the POINT OF BEGINNING.

PARCEL NO. 32

A parcel of land in the East half of Section 34, Township 7 South, Range 10 East, San Bernardino Meridian, described as follows:

BEGINNING at a point on the West line of the Southeast quarter of Section 34, Township 7 South, Range 10 East, San Bernardino Meridian, 49.75 feet South of the Northwest corner;

THENCE South  $00^{\circ}45'24''$  East along said West line, a distance of 189.67 feet to the Northeasterly right-of-way line of the Southern Pacific Railroad Company;

EXHIBIT I - Continued

THENCE Southeasterly along said right-of-way line following the arc of a curve concave to the left, whose tangent bears South 45°56'36" East, having a radius of 2,765.00 feet, through a central angle of 00°49'44", a distance of 40.00 feet;

THENCE North 63°19'29" East, a distance of 1,171.95 feet;

THENCE North 36°47'07" East, a distance of 2,575.00 feet to the East line of the Northeast quarter of said Section 34;

THENCE North 00°37'24" West along said East line, a distance of 329.22 feet to the Northeast corner of said Northeast quarter;

THENCE South 89°59'36" West along the North line of said Northeast quarter, a distance of 249.74 feet;

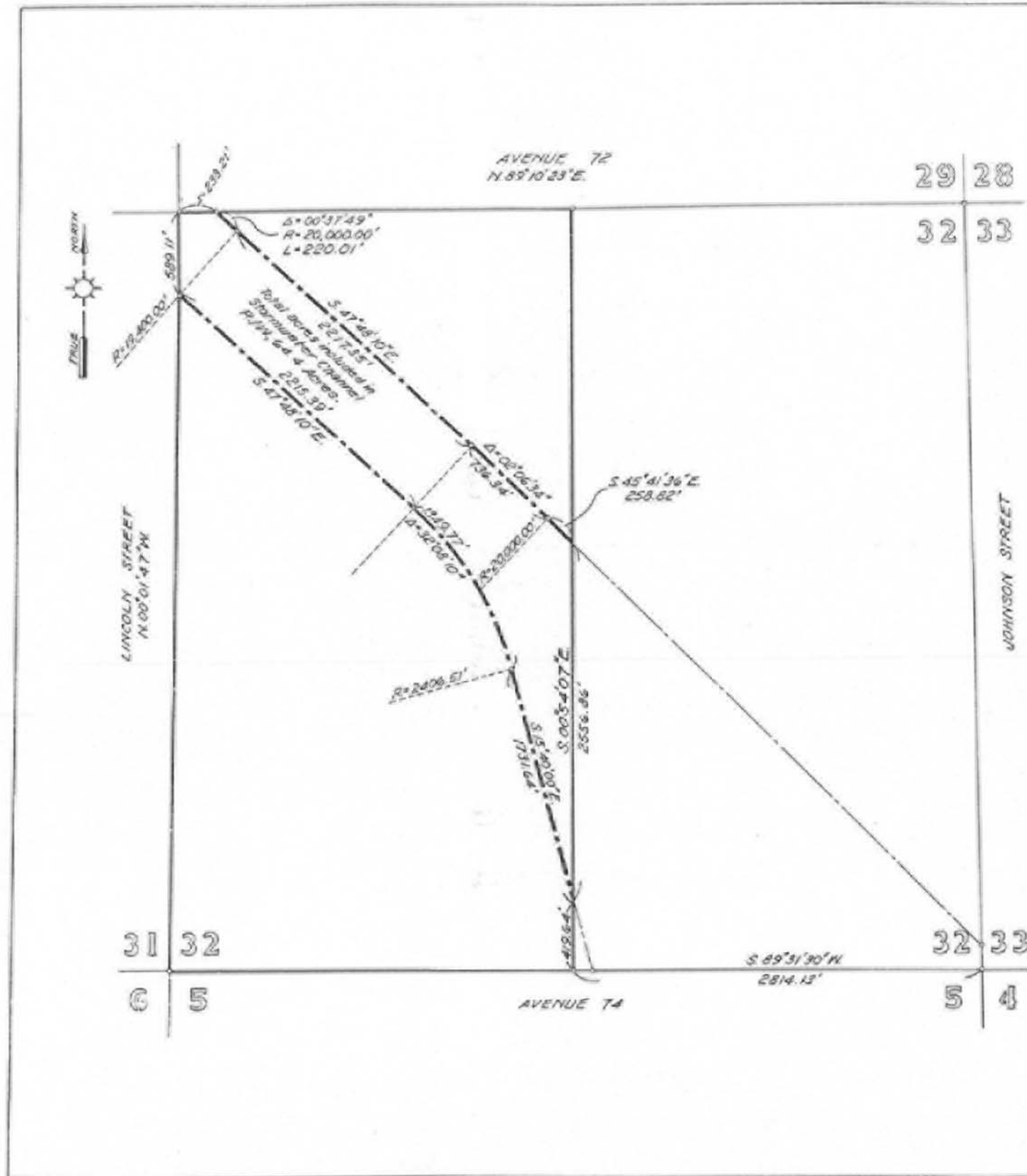
THENCE South 36°47'07" West, a distance of 1,940.00 feet;

THENCE South 49°30'00" West, a distance of 1,185.00 feet;

THENCE South 38°54'06" West, a distance of 482.55 feet to the POINT OF BEGINNING.

PARCEL NO. 33

All those rights-of way for drainage and flood easements issued by the Bureau of Indian Affairs on District Drawing Nos. 10,526 filed July 6, 1961; 10,527 filed July 6, 1961; 1050-1 dated September 21, 1940; 10,540 filed July 6, 1961; 10,542 filed July 6, 1961; and 10,541 filed January 11, 1962. All of the foregoing maps were filed in the Riverside County Records Office.



State of California  
County of Riverside

I, Donald O. Fuchs, being duly sworn, depose that he is the Chief Engineer and General Engineer of the Coachella Valley County Water District, that pursuant to the provisions of the Act of August 20, 1900, (Public Law 26-201, 30 Stat. 900), and the authorized Contract No. 16-20-550-551, dated October 14, 1900, this map represents the location of certain parts of the constructed drainage works and that the surveys were made under his direction as Chief Engineer.

Dated, November 8, 1960  
By Donald O. Fuchs  
Chief Engineer  
Coachella Valley County Water District

Subscribed and sworn to this 8th day of November, 1960.  
(SSE)  
By Carl P. Nelson Jr.  
Notary Public

My commission expires March 14, 1966.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
WASHINGTON, D.C.

I, Leonard M. Hill, Area Director of the Bureau of Indian Affairs, do hereby certify that this map represents the location of certain parts of the constructed drainage works.

Pursuant to the provisions of the Act of August 20, 1900, (Public Law 26-201, 30 Stat. 900), the delegation of authority by the Secretary of the Interior, Order No. 2500, Amendment No. 33, dated Jan. 13, 1960 and the delegation of authority by the Commissioner of Indian Affairs, Order No. 561, Amendment No. 38, dated Feb. 1, 1960 (P.R. Dec. 80-1105, filed Feb. 2, 1960), I hereby certify that this map represents the location of certain parts of the constructed drainage works and that the surveys were made under his direction as Chief Engineer.

Dated: June 26, 1961  
By Leonard M. Hill  
Area Director

CONVEYANCE OF RIGHT OF WAY FOR STORMWATER CHANNEL

Pursuant to the provisions of the Act of August 20, 1900, (Public Law 26-201, 30 Stat. 900), the delegation of authority by the Secretary of the Interior, Order No. 2500, Amendment No. 33, dated Jan. 13, 1960 and the delegation of authority by the Commissioner of Indian Affairs, Order No. 561, Amendment No. 38, dated Feb. 1, 1960 (P.R. Dec. 80-1105, filed Feb. 2, 1960), I hereby certify that this map represents the location of certain parts of the constructed drainage works and that the surveys were made under his direction as Chief Engineer.

Dated: June 26, 1961  
By Leonard M. Hill  
Area Director

NOTE: Bearings on this survey are referred to local true north, and are based upon U. S. Bureau of Reclamation, Coachella Valley Triangulation.

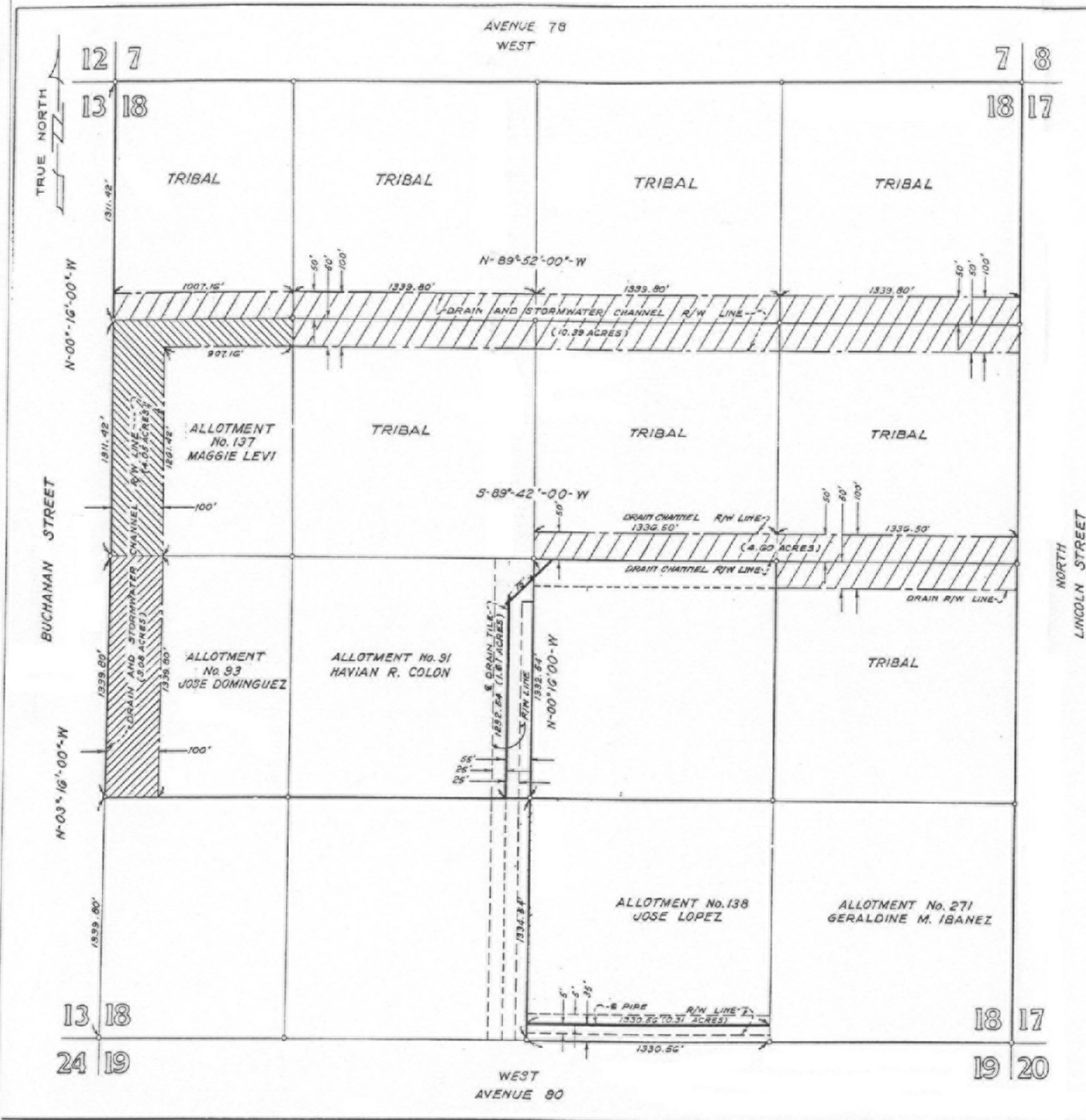
RIGHT OF WAY FOR STORMWATER CHANNEL WHICH is a part of the drainage works now administered by the Coachella Valley County Water District.

FILED WITH RIVERSIDE COUNTY  
RECORDERS OFFICE JULY 4, 1961  
INSTRUMENT NO. 57555

U.S. DEPT. OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

MAP OF  
RIGHTS OF WAY FOR  
COACHELLA VALLEY STORMWATER CHANNEL  
TORRES-MARTINEZ INDIAN RESERVATION  
W/ Section 32, T7S-R9E.

Surveyed By D.S.B.  
Drawn By R.T.C.  
Checked By W.H.  
OCT 21, 1960 G.V.C.W.D. Map No. 10,526



State of California) ss  
County of Riverside)

Lowell G. Weeks, being duly sworn, says that he is the Chief Engineer and General Manager of the Coachella Valley County Water District, that pursuant to the provisions of the Act of August 20, 1930 (Public Law 65-801, 72 Stat. 958) and the authorized Contract No. 14-20-450-431, dated October 14, 1958, this map correctly represents the location of proposed irrigation distribution system and drainage works, and certain drainage works now administered by the District.

Date: March 15, 1961 By Lowell G. Weeks  
Lowell G. Weeks, Chief Engineer  
COACHELLA VALLEY COUNTY WATER DISTRICT

Sworn and subscribed to this 15th day of March, 1961.

Carl L. Nelson, Jr.  
Carl L. Nelson, Jr., Notary Public

My commission expires March 14, 1964.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
SACRAMENTO, CALIFORNIA

I, Leonard M. Hill, the Area Director of the Sacramento Area, do hereby certify that this map delineates to the best of my belief, the survey of rights of way for the certain proposed irrigation distribution system and drainage works.

Pursuant to the provisions of the Act of August 20, 1930 (Public Law 65-801, 72 Stat. 958), the delegation of authority by the Secretary of the Interior, Order No. 2508, Amendment No. 33, dated Jan. 13, 1960, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 551, Amendment No. 58, dated Feb. 1, 1960 (F.R. Doc. 60-1125, Filed Feb. 2, 1960), I hereby take the rights of way designated hereon, subject to any prior, valid, existing rights or adverse claims and waive the payment of just compensation therefor.

Date: June 24, 1961 By Leonard M. Hill  
Leonard M. Hill, Area Director

CONVEYANCE OF RIGHT OF WAY FOR DRAINS AND/OR STORMWATER CHANNELS

Pursuant to the provisions of the Act of August 20, 1930, (Public Law 65-801, 72 Stat. 958), the delegation of authority by the Secretary of the Interior, Order No. 2508, Amendment No. 33, dated Jan. 13, 1960, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 551, Amendment No. 58, dated Feb. 1, 1960 (F.R. Doc. 60-1125, Filed Feb. 2, 1960), I hereby convey to the Coachella Valley County Water District an easement in perpetuity for the right of way for drains and/or stormwater channels as delineated on this map as drain and/or stormwater channels comprising 20.50 acres, subject to any prior, valid, existing rights or adverse claims. The District has paid just compensation therefor.

Date: June 24, 1961 By Leonard M. Hill  
Leonard M. Hill, Area Director

- | LEGEND  | NOTES  |
|---|--|
| Tribal lands within Drain and/or Stormwater Channel Rights of Way now administered by the Coachella Valley County Water District.   | The irrigation system and the drainage works except for control structures will be underground.  |
| Allotted lands within Drain and/or Stormwater Channel Rights of Way now administered by the Coachella Valley County Water District. | The bearings and distances shown were taken from U.S. General Land Office Resurvey Plat of T8S R9E S.3.S.4W. Prepared for allotment of lands within the Martinez-Torres Mission Indian Reservation. Plat was approved by the U.S. Surveyor General for California on May 27, 1954. No field survey was made by the Coachella Valley County Water District. |
| Property Corners.   |  |
| Right of Way for works to be constructed by the United States in accordance with Public Law No. 65-801.                             |  |
| Right of Way for Drains and/or Stormwater Channels.   |  |
| Right of way for irrigation pipeline, 5 feet on each side of center line.   |  |
| Right of way for drain tile, 25 feet on each side of center line.   |  |

FILED WITH RIVERSIDE COUNTY  
RECORDERS OFFICE JULY 6, 1961  
INSTRUMENT NO. 57042

U.S. DEPT. OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

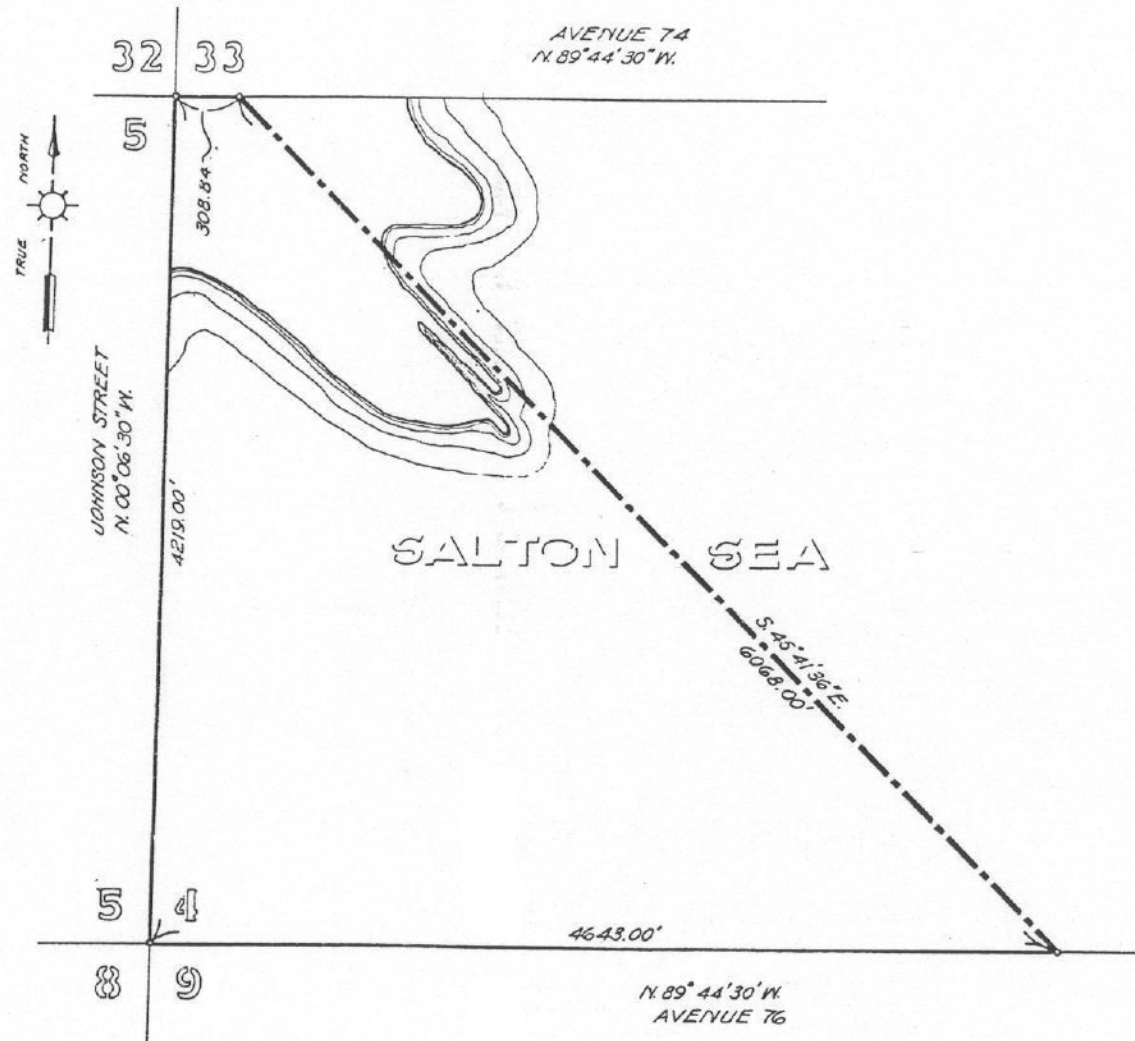
MAP OF  
RIGHTS OF WAY FOR  
IRRIGATION SYSTEM & DRAINAGE WORKS  
TORRES-MARTINEZ INDIAN RESERVATION  
Section 18, T8S-R9E

Surveyed By: \_\_\_\_\_  
Drawn By: V.L.M.  
Checked By: W.H.  
December 30, 1961 C.V.C.W.D. Dwg. No. 19,540



0882





State of California,  
County of Riverside) ss

Lowell O. Weeks, being duly sworn, says that he is the Chief Engineer and General Manager of the Coachella Valley County Water District, that pursuant to the provisions of the Act of August 28, 1938, (Public Law 85-801, 72 Stat. 968), and the authorized Contract No. 14-20-550-831, dated October 14, 1958, this map correctly represents the location of certain parts of the constructed drainage works and that the surveys were made under his direction as Chief Engineer.

Date: November 8, 1960

By: Lowell O. Weeks  
Lowell O. Weeks, Chief Engineer  
COACHELLA VALLEY COUNTY WATER DISTRICT

Sworn and subscribed to this 8th day of November, 1960.

(SEAL)

Carl L. Nelson, Jr.  
Carl L. Nelson, Jr., Notary Public

My commission expires March 14, 1964.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
SACRAMENTO, CALIFORNIA

I, Leonard M. Hill, the Area Director of the Sacramento Area, do hereby certify that this map delineates to the best of my belief, the survey of rights of way for certain parts of the constructed drainage works.

Pursuant to the provisions of the Act of August 28, 1938, (Public Law 85-801, 72 Stat. 968), the delegation of authority by the Secretary of the Interior, Order No. 3500, Amendment No. 33, dated Jan. 13, 1960 and the delegation of authority by the Commissioner of Indian Affairs, Order No. 351, Amendment No. 50, dated February 1, 1960 (F.R. Doc. 60-1125 Filed Feb. 2, 1960), I hereby take the rights of way designated herein subject to any prior, valid, existing rights or adverse claims and cause payment of just compensation therefore.

Date: June 26, 1961

Leonard M. Hill  
Area Director

CONVEYANCE OF RIGHT OF WAY FOR STORMWATER CHANNEL

Pursuant to the provisions of the Act of August 28, 1938, (Public Law 85-801, 72 Stat. 968), the delegation of authority by the Secretary of the Interior, Order No. 3500, Amendment No. 33, dated Jan. 13, 1960 and the delegation of authority by the Commissioner of Indian Affairs, Order No. 351, Amendment No. 50, dated February 1, 1960 (F.R. Doc. 60-1125, Filed Feb. 2, 1960), I hereby convey to the Coachella Valley County Water District an easement in perpetuity for the right of way of the Coachella Valley Stormwater Channel as a part of the drainage works now administered by the District and as delineated on this map as a Stormwater Channel comprising 239.8 acres, subject to any prior, valid, existing rights or adverse claims. The District has paid just compensation for this right of way.

Date: June 26, 1961

Leonard M. Hill  
Area Director

NOTE: Bearings on this survey are referred to local true north, and are based upon U. S. Bureau of Reclamation, Coachella Valley Triangulation.

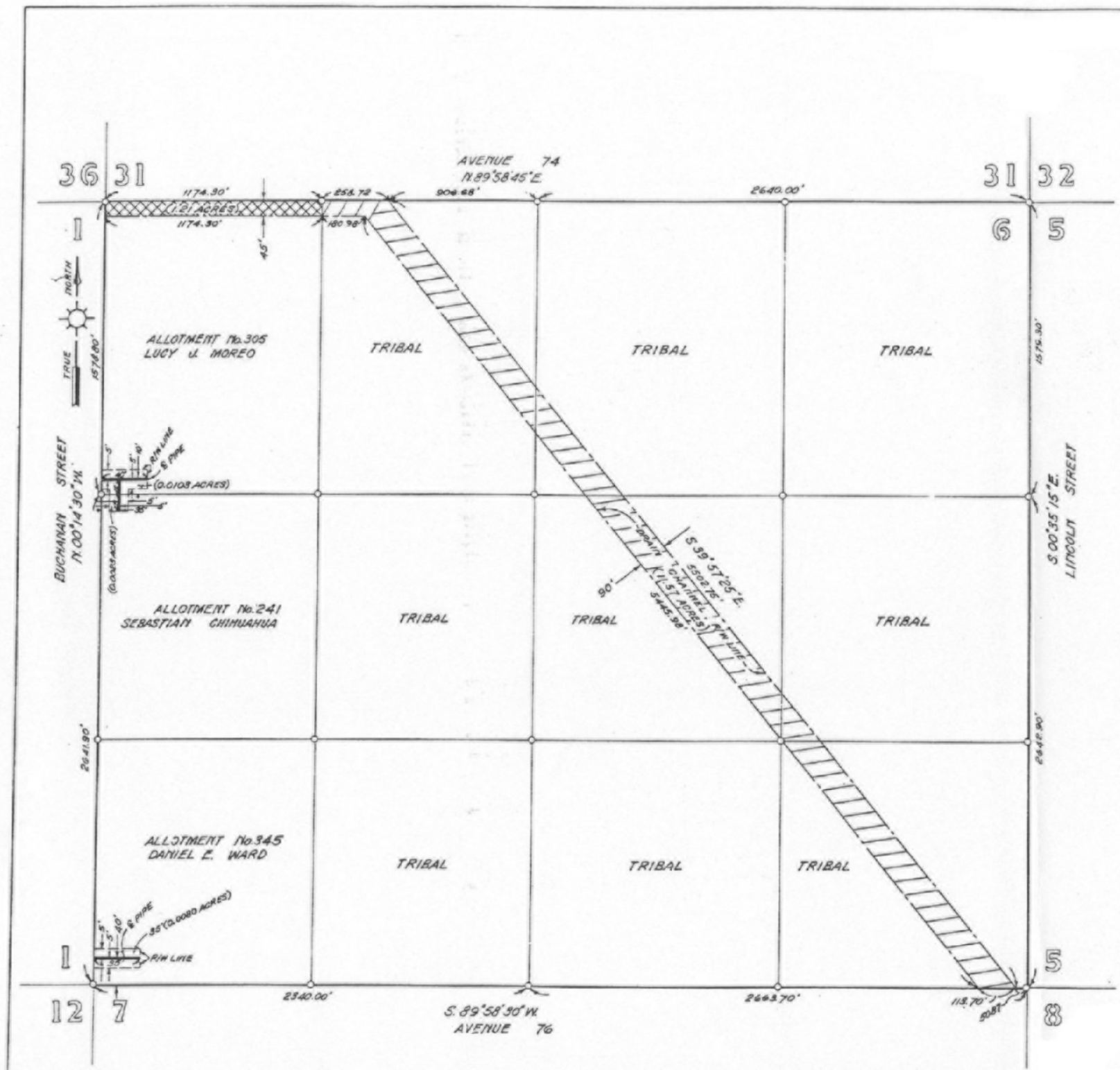
Right of way for stormwater channel which is a part of the drainage works now administered by the Coachella Valley County Water District.

Water area in Salton Sea within R/W . . . . .	212.3 Acres
Land area within R/W . . . . .	27.5 Acres
Total Area . . . . .	239.8 Acres

400 0 400 800  
SCALE IN FEET

FILED WITH RIVERSIDE COUNTY  
RECORDERS OFFICE JULY 6, 1961  
INSTRUMENT NO. 57664

U.S. DEPT OF INTERIOR  
BUREAU OF INDIAN AFFAIRS  
MAP OF  
RIGHTS OF WAY FOR  
COACHELLA VALLEY STORMWATER CHANNEL  
TORRES-MARTINEZ INDIAN RESERVATION  
Section 4, T8S-R9E  
Surveyed By D.S.B.  
Drawn By R.T.C.  
Checked By gmk  
OCT 25, 1960 G.V.C. P.L.D. Dwg. No. 10,527



AFFIDAVIT OF SURVEYOR

State of California) ss  
County of Riverside)

Lowell O. Weeks, being duly sworn, says that he is the Chief Engineer and General Manager of the Coachella Valley County Water District, that pursuant to the provisions of the Act of August 20, 1938 (Public Law 85-801, 72 Stat. 958) and the authorized Contract No. 14-20-530-531, dated October 14, 1938, this map correctly represents the location of proposed irrigation distribution system and drainage works which is now administered by the District, and that the surveys for the drain were made under his direction as Chief Engineer.

Date: March 14, 1961 By Lowell O. Weeks  
Lowell O. Weeks, Chief Engineer  
COACHELLA VALLEY COUNTY WATER DISTRICT

Sworn and subscribed to this 14<sup>th</sup> day of March, 1961.  
(SEAL) Carl L. Nelson, Jr.  
Carl L. Nelson, Jr., Notary Public

My commission expires March 14, 1964.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
SACRAMENTO, CALIFORNIA

I, Leonard M. Hill, the Area Director of the Sacramento Area, do hereby certify that this map delineates to the best of my belief, the survey of rights of way for the certain proposed irrigation distribution system.

Pursuant to the provisions of the Act of August 20, 1938 (Public Law 85-801, 72 Stat. 958), the delegation of authority by the Secretary of the Interior, Order No. 3306, Amendment No. 33, dated Jan. 13, 1950, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 551, Amendment No. 38, dated Feb. 1, 1950 (P.R. Dec. 60-1125, Filed Feb. 2, 1950), I hereby convey to the Coachella Valley County Water District an easement in perpetuity for the right of way for the drain channel as delineated on this map as a drain channel comprising 12.78 acres, subject to any prior, valid, existing rights or adverse claims. The District has paid just compensation therefor.

Date: June 26, 1961 Leonard M. Hill  
Area Director

CONVEYANCE OF RIGHT OF WAY FOR DRAIN CHANNEL

Pursuant to the provisions of the Act of August 20, 1938, (Public Law 85-801, 72 Stat. 958), the delegation of authority by the Secretary of the Interior, Order No. 3306, Amendment No. 33, dated Jan. 13, 1950, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 551, Amendment No. 38, dated Feb. 1, 1950 (P.R. Dec. 60-1125, Filed Feb. 2, 1950), I hereby convey to the Coachella Valley County Water District an easement in perpetuity for the right of way for the drain channel as delineated on this map as a drain channel comprising 12.78 acres, subject to any prior, valid, existing rights or adverse claims. The District has paid just compensation therefor.

Date: June 26, 1961 Leonard M. Hill  
Area Director

- LEGEND

  - Tribal lands within Drain Channel Right of Way now administered by the Coachella Valley County Water District.
  - Allotted lands within Drain Channel Right of Way now administered by the Coachella Valley County Water District.
  - Property corners.
  - Right of Way for works to be constructed by the United States in accordance with Public Law No. 85-801.
  - Right of Way for Drain Channel.
  - Right of way for irrigation pipeline, 5 feet on each side of center line.

NOTES

The irrigation system, except for control structures will be underground.

The subdivision distances shown were taken from U.S. Bureau of Reclamation Drawing C-28-303, dated Feb. 5, 1938, revised Apr. 19, 1940 and Mar. 9, 1950.

The bearings were computed from U.S. Bureau of Reclamation Drawing C-61-1125, dated Dec. 19, 1948, revised July 26, 1950.

FILED WITH RIVERSIDE COUNTY  
RECORDERS OFFICE JULY 6, 1961  
INSTRUMENT NO. 57643

U.S. DEPT. OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

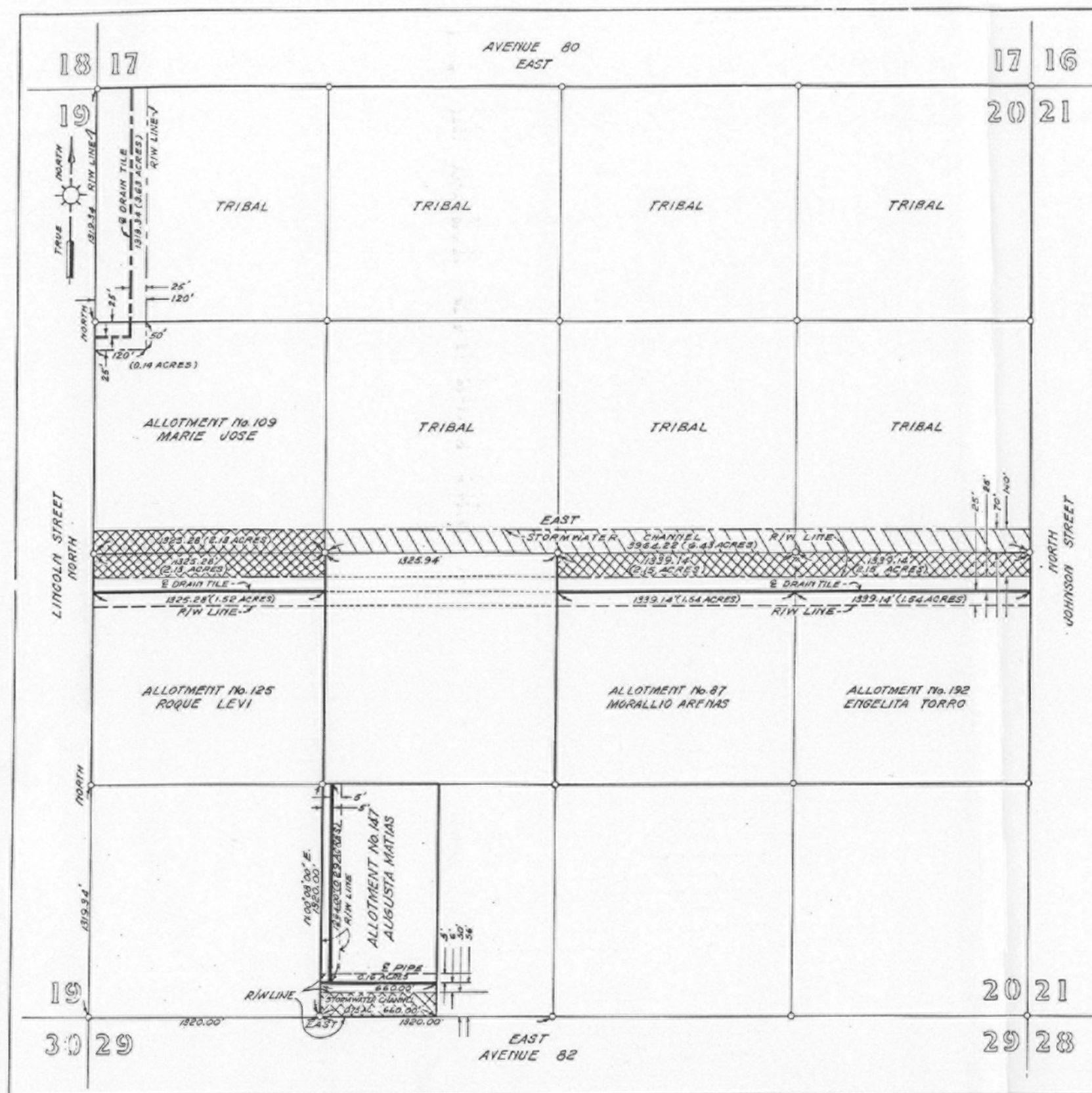
MAP OF  
RIGHTS OF WAY FOR  
IRRIGATION SYSTEM & DRAINAGE WORKS  
TORRES-MARTINEZ INDIAN RESERVATION  
Section 6, T8S-R9E.

Surveyed By \_\_\_\_\_  
Drawn By R.T.G.  
Checked By G.H.L.  
Dec. 30, 1960 C.V.C.M.D. Draw No. 10,542

1440

300 0 300 600  
SCALE IN FEET  
Section Subdivision Only





# APPIDAYIT OF ENGINEER

State of California)  
County of Riverside) ss

Lowell G. Weeks, being duly sworn, says that he is the Chief Engineer and General Manager of the Coachella Valley County Water District, that pursuant to the provisions of the Act of August 26, 1950 (Public Law 85-801, 72 Stat. 948) and the authorized Contract No. 14-70-550-531, dated October 14, 1950, this map correctly represents the location of proposed irrigation distribution system and drainage works, and certain drainage works now administered by the District.

Date: March 14, 1961

By Lowell G. Weeks  
Lowell G. Weeks, Chief Engineer  
COACHELLA VALLEY COUNTY WATER DISTRICT

Work and subscribed to this 14<sup>th</sup> day of March, 1961.  
(SEAL)

Earl L. Nelson, Jr.  
Earl L. Nelson, Jr., Notary Public

My commission expires March 14, 1964.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
SACRAMENTO, CALIFORNIA

I, Leonard M. Hill, the Area Director of the Sacramento Area, do hereby certify that this map delineates to the best of my belief, the survey of rights of way for the certain proposed irrigation distribution system and drainage works.

Pursuant to the provisions of the Act of August 26, 1950 (Public Law 85-801, 72 Stat. 948), the delegation of authority by the Secretary of the Interior, Order No. 2509, Amendment No. 33, dated Jan. 13, 1950, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 531, Amendment No. 59, dated Feb. 1, 1960 (P.S. Dec. 60-1185, Filed Feb. 2, 1960), I hereby take the rights of way designated hereon, subject to any prior, valid, existing rights or adverse claims and make the payment of just compensation therefor.

Date: Dec 26, 1961

Leonard M. Hill  
Area Director

## CONVEYANCE OF RIGHT OF WAY FOR DRAINS AND/OR STORMWATER CHANNELS

Pursuant to the provisions of the Act of August 26, 1950, (Public Law 85-801, 72 Stat. 948), the delegation of authority by the Secretary of the Interior, Order No. 2509, Amendment No. 33, dated Jan. 13, 1950, and the delegation of authority by the Commissioner of Indian Affairs, Order No. 531, Amendment No. 59, dated Feb. 1, 1960 (P.S. Dec. 60-1185, Filed Feb. 2, 1960), I hereby convey to the Coachella Valley County Water District an easement in perpetuity for the right of way for drains and/or stormwater channels as delineated on this map as drain and/or stormwater channels comprising 19.51 acres, subject to any prior, valid, existing rights or adverse claims. The District has paid just compensation therefor.

Date: Dec 26, 1961

Leonard M. Hill  
Area Director

## LEGEND

- Tribal lands within Drain and/or Stormwater Channel Right of Way administered by the Coachella Valley County Water District.
- Allotted lands within Drain and/or Stormwater Channel Right of Way administered by the Coachella Valley County Water District.
- Property Corners.
- Right of Way for works to be constructed by the United States in accordance with Public Law No. 85-801.
- Right of Way for Drains and/or Stormwater Channels.
- Right of way for irrigation pipeline, 3 feet on each side of center line.
- Right of way for drain tile, 25 feet on each side of center line.
- Right of way for works to be constructed by the Coachella Valley County Water District.

## NOTES

The irrigation system and the drainage works except for control structures will be underground.  
The bearings and distances shown were taken from U.S. General Land Office Reentry Plot of T8S R9E S.4. S.4. S.4. Prepared for allotment of lands within the Martinez-Torres Mission Indian Reservation. Plot was approved by the U.S. Surveyor General for California on May 27, 1964.  
No field survey was made by the Coachella Valley County Water District.

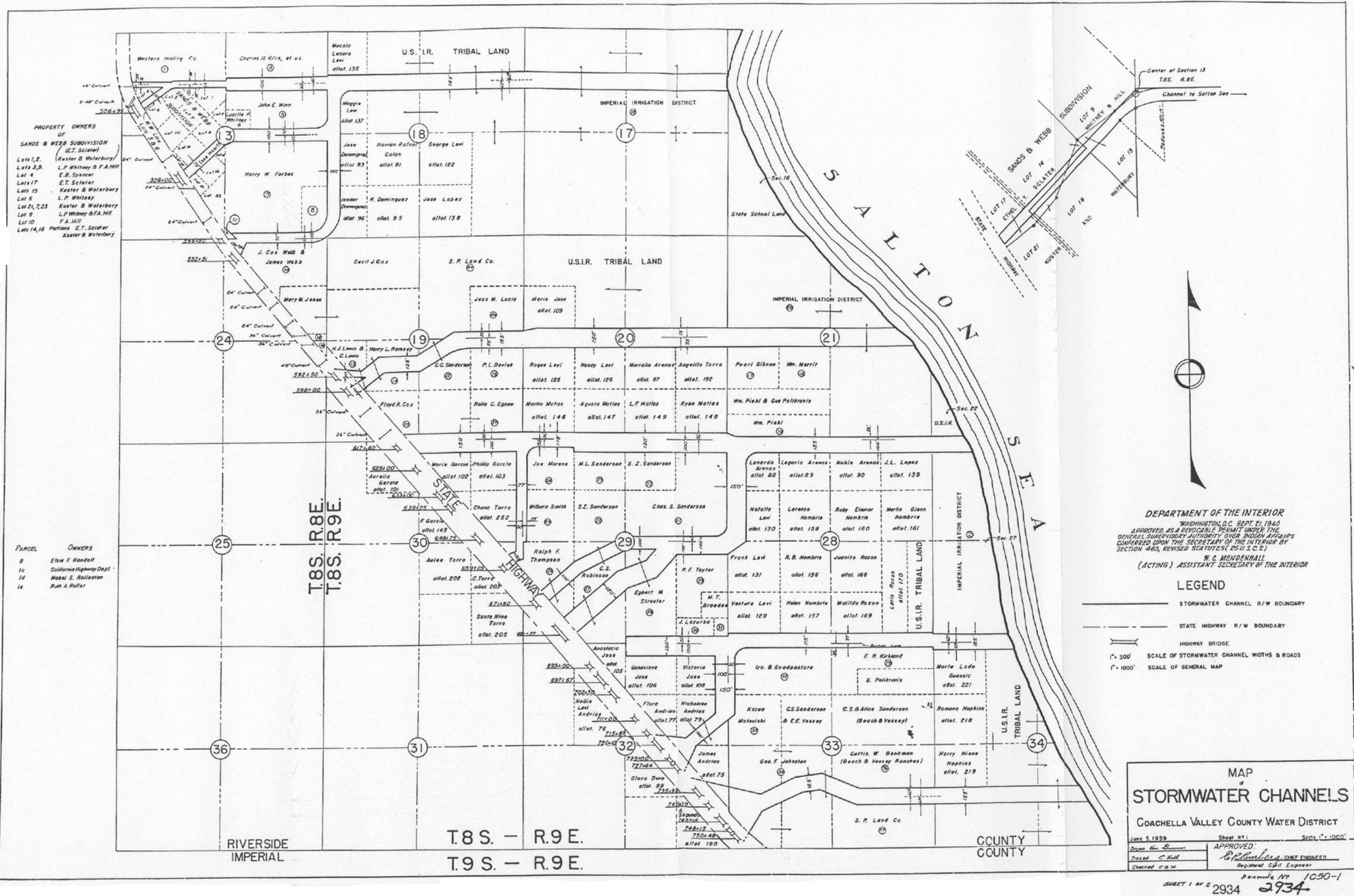
FILED AS DOCUMENT NO. 3226, JANUARY 11, 1962

300 0 300 600  
SCALE IN FEET  
Section Subdivision Only

U.S. DEPT. OF INTERIOR  
BUREAU OF INDIAN AFFAIRS  
MAP OF  
RIGHTS OF WAY FOR  
IRRIGATION SYSTEM & DRAINAGE WORKS  
TORRES-MARTINEZ INDIAN RESERVATION  
Section 20, T8S-R9E.  
Surveyed By \_\_\_\_\_  
Drawn By R.T.C.  
Checked By J.M.  
Dec 28, 1960 C.V.C.W.D. Map No. 10,541

1439

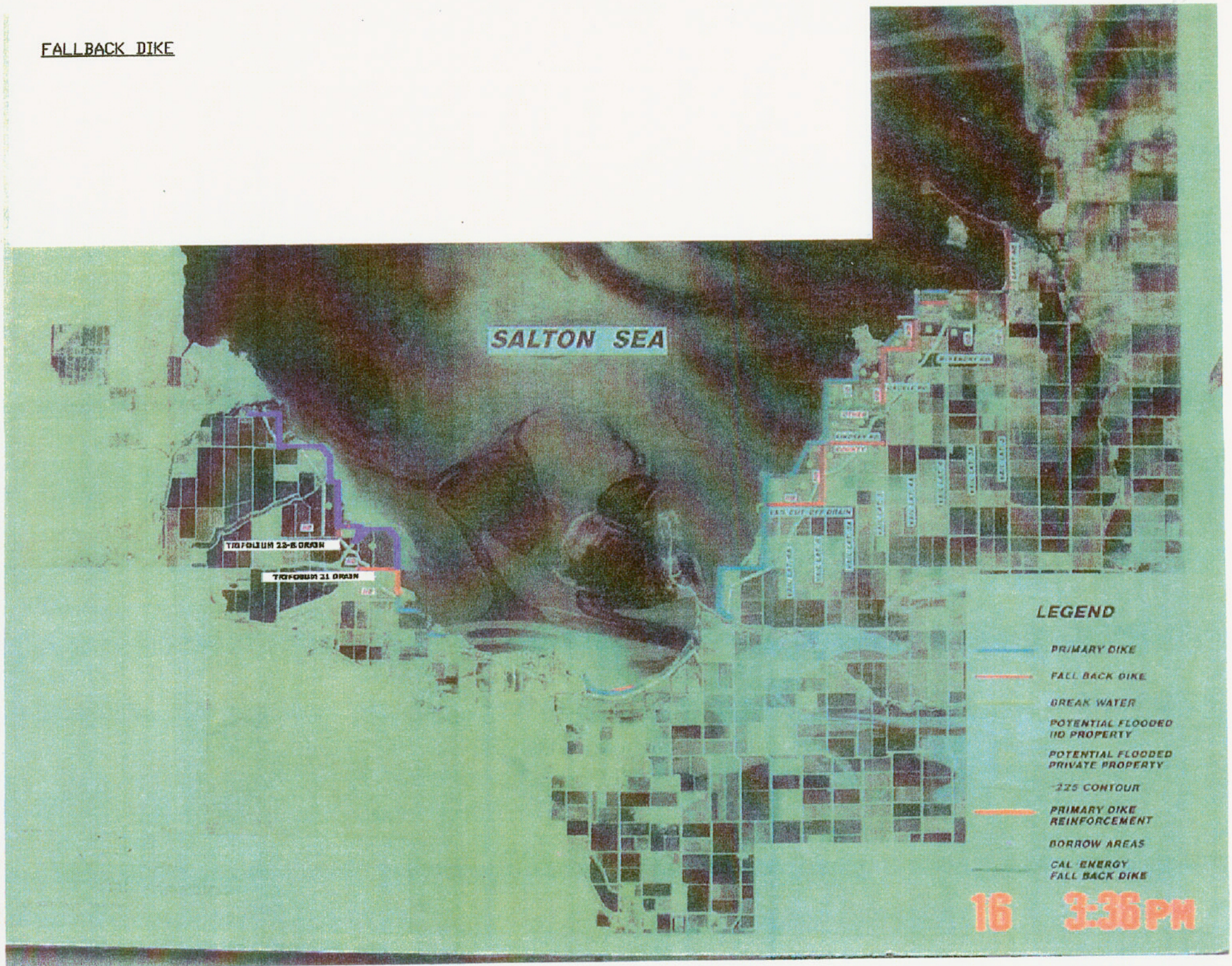




## Exhibit J



# FALLBACK DIKE





**AGREEMENT FOR STORAGE OF  
GROUNDWATER**

**By and Between**

**COACHELLA VALLEY WATER DISTRICT,  
a California County Water District  
("CVWD")**

**and**

**IMPERIAL IRRIGATION DISTRICT,  
a California County Water District  
("IID")**

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## **AGREEMENT FOR STORAGE OF GROUNDWATER**

THIS AGREEMENT FOR STORAGE OF GROUNDWATER ("Agreement") is made and entered into this 10TH day of October, 2003 by and between COACHELLA VALLEY WATER DISTRICT, a California County Water District ("CVWD") and Imperial Irrigation District, a California Irrigation District ("IID"). IID and CVWD are sometimes referred to individually as a "Party" and collectively as "Parties."

### **RECITALS**

A. CVWD is a county water district, organized under the *California County Water District Law*, codified at *Section 30000 et seq.* of the *California Water Code* and delivers water in Riverside County, California for potable and irrigation purposes.

B. IID is an irrigation district, organized under the *California Irrigation District Law*, codified at *Section 20500, et seq.* of the *California Water Code* and delivers water in Imperial County, California for potable and irrigation purposes.

C. IID is a contractor with the United States of America for the delivery of Colorado River water as authorized by the *Boulder Canyon Project Act* (Act of December 21, 1928; 45 Stat. 1057, as amended). Pursuant to such contract, IID is entitled along with certain other entities, including CVWD, to beneficial consumptive use of certain quantities of Colorado River water.

D. The service area of CVWD is divided into an upper valley and lower valley which have groundwater basins (collectively, "Basins")

E. IID desires to acquire storage space from CVWD and CVWD desires to provide storage space to IID in the Basins to store Colorado River water ("IID Water") on the terms and conditions set forth herein.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH THE PARTIES HEREBY ACKNOWLEDGE, IID AND CVWD AGREE THAT THE TERMS OF THIS AGREEMENT ARE AS FOLLOWS:**

### **ARTICLE I**

#### **DEFINITIONS**

1.1 Except as set forth in the body of this Agreement, all capitalized terms shall have the meanings set forth in

Exhibit "A" attached hereto and by this reference incorporated herein.

## ARTICLE II

### STORAGE OF WATER

2.1 (a) Subject to the availability of storage in the Basins and the terms and conditions set forth herein, CVWD agrees to provide to IID storage for IID Water in the Basins. The determination of whether there is storage availability in the Basins shall be made by CVWD in its reasonable discretion. In determining the availability of storage capacity in the Basins, if any, CVWD shall assess (i) whether there is physical availability of space in the Basins to store water, (ii) whether the delivery of water by IID will potentially interfere with the delivery, recharge and storage of water by CVWD or other parties with pre-existing rights, (iii) whether the facilities exist ('Recharge Facilities,' 'Additional Recharge Facilities' and 'IID Recharge Facilities' as defined in Article III) to recharge and store the water into the Basins, and (iv) whether CVWD can reduce its consumptive use of Colorado River water in an equal amount for delivery by exchange to IID ('Return Water'). (It is the intent of the Parties that CVWD provide Return Water to IID by reduction of the consumptive use of Colorado River water by CVWD.)

(b) The rights of IID to store water in the Basins shall be subject to: (i) CVWD's storage needs in the Basins as determined by CVWD in its sole and absolute discretion, but subject to its good-faith obligation to IID under this Agreement; (ii) the pre-existing rights for the storage needs of the Metropolitan Water District of Southern California, a California public agency ("MWD"); (iii) the storage needs of certain public agencies with preexisting rights, which agencies are more particularly listed on Exhibit "B" attached hereto and by this reference incorporated herein; and (iv) Article IV below. CVWD, MWD and those entities listed on Exhibit "B" shall sometimes be referred to herein, collectively as the "Pre-existing Right Holders."

2.2 (a) IID shall provide written notice ("Storage Notice") to CVWD by October 1 of the preceding year in which IID desires to deliver Colorado River water to CVWD for the purpose of storage of such water in the Basins. The Storage Notice shall include the proposed acre feet to be stored in the Basins during the Calendar Year and the proposed delivery schedule of such water.

By December 1, prior to the year of proposed storage, CVWD shall provide written notice to IID of the amount of IID Water which may be stored in the Basins, if any, during the next calendar year and the schedule for acceptance of such water.

Notwithstanding the foregoing, IID acknowledges that, at the time of the actual delivery by IID of the IID Water, CVWD may not be able to store the IID Water due to natural disasters, acts of God or other reasons beyond CVWD's control. For these reasons if CVWD cannot store the agreed to IID Water in the Basins, IID agrees to waive and release all claims against CVWD and its officers, directors, employees, agents, successors and assigns (collectively, "Released Parties") arising from or in connection with the failure to store IID Water in the Basins or any loss in connection therewith.

### **ARTICLE III**

#### **RECHARGE FACILITIES**

3.1 It is the intent of CVWD to locate sites and construct facilities to recharge and store water into the Basins to accommodate a recharge capacity estimated to be 80,000 acre feet per year ('Recharge Facilities'). At the time of the execution of this Agreement, CVWD has (i) identified one or more locations acceptable to CVWD for the recharge of water into the Basins and (ii) proceeding to design and construct facilities to meet the intent of the Recharge Facilities noted above. IID's right to store IID Water at these facilities shall be subordinate to CVWD and the Pre-Existing Right Holders. Additional sites and facilities could be developed pursuant to the following Articles 3.2 through 3.5, and CVWD may also use "in lieu" recharge to recharge and store water in the Basins.

3.2 At any time during the term of this Agreement IID may, by written notice to CVWD, request that CVWD attempt to identify additional locations for recharge facilities or "in lieu" recharge opportunities which are satisfactory to recharge additional water into the Basins, in the sole and absolute opinion of CVWD, but subject to CVWD's good-faith obligation to IID under this Agreement. CVWD may, but shall not be obligated to, undertake such commission if IID agrees to be responsible for all costs and expenses incurred by CVWD. Upon written notice from CVWD, IID shall deposit such sum with CVWD as shall be reasonably required by CVWD ("Search Deposit"). The Search Deposit shall be held by CVWD for all costs and expenses incurred by CVWD to attempt to

locate or cause to be located, adequate locations to recharge water into the Basins. IID hereby authorizes CVWD to use the Search Deposit to offset costs and expenses, including staff and other labor costs, related to the foregoing. If further funds are necessary and based on a proper accounting of the Search Deposit, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an amount CVWD and IID considers sufficient to pay or reimburse CVWD's expenses and costs. CVWD shall not be required to undertake or continue to identify the location of additional sites unless and until IID delivers to CVWD the Search Deposit and the additional monies requested by CVWD and agreed to by IID. Once CVWD has provided written notice to IID that sites exist or do not exist, any excess or unused Search Deposit funds will be reimbursed to IID.

3.3 In the event CVWD identifies acceptable additional sites or in-lieu recharge opportunities, CVWD shall notify IID, in writing, of the location thereof and whether CVWD shall design and construct, or cause to be designed and constructed 'Additional Recharge Facilities' consisting of the following: water transmission facilities if required, recharge facilities, and pumping facilities ('Recovery Wells'), if required, to extract water from the Basins at such locations. In such event, IID's right to store IID Water at such sites shall only be subordinate to CVWD and not the Pre-Existing Right Holders.

3.4 If CVWD does not elect to construct the Additional Recharge Facilities or develop the additional in-lieu recharge opportunities, IID may elect to require CVWD to design and construct recharge facilities or in-lieu recharge opportunities at the identified site(s), 'IID Recharge Facilities'. In such event, IID shall pay all costs and expenses incurred or accrued in connection with the design and construction of the IID Recharge Facilities in accordance with the following:

(a) CVWD shall employ (with IID's approval and oversight), at IID's cost and expense, a qualified professional engineering firm to plan, design and prepare detailed construction plans and specifications for the IID Recharge Facilities in full and complete accordance with CVWD's design criteria and standards. Prior to hiring the engineering firm, CVWD shall notify IID, in writing, of the initial estimated cost of the engineering firm to complete the foregoing. IID shall deposit such sum with CVWD the amount set forth in the initial estimate plus an additional fifteen percent as a contingency amount ("Engineering Deposit"). The Engineering Deposit shall be held by CVWD for all costs and expenses incurred by CVWD pursuant to the agreement with the engineering firm. IID hereby authorizes

CVWD to use the Engineering Deposit to offset costs and expenses related to the foregoing. If further funds are necessary and IID agrees based on a proper accounting from CVWD, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an amount CVWD considers sufficient to pay or reimburse CVWD's costs and expenses. CVWD shall not be required to retain or continue the services of an engineering firm unless and until IID delivers to CVWD the Engineering Deposit and the additional funds requested by CVWD. Any excess or unused Engineering Deposit funds will be reimbursed to IID.

(b) IID shall pay or reimburse CVWD for (i) compliance with all laws, including environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act, arising out of or in connection with, construction of the IID Recharge Facilities and for compliance with all (ii) conditions and mitigation measures of each such consent or permit which must be satisfied in connection therewith. The term "environmental laws" shall include, without limitation, the California Environmental Quality Act, the National Environmental Policy Act and other applicable state and federal environmental laws.

(c) Following receipt of CVWD's and IID's approval of the design and construction plans and specifications and compliance with the environmental laws, CVWD shall employ a contractor to install the IID Recharge Facilities. IID shall pay all costs and expenses associated with the construction of the IID Recharge Facilities.

Prior to hiring the contractor, CVWD shall notify IID, in writing, of the initial estimated cost to construct the IID Recharge Facilities. IID shall deposit such sum with CVWD plus an additional fifteen percent as a contingency amount ("Construction Deposit"). The Construction Deposit shall be held by CVWD for all costs and expenses incurred by CVWD pursuant to the agreement with the contractor and inspections and other services relating to the construction. IID hereby authorizes CVWD to use the Construction Deposit to offset costs and expenses related to the foregoing. If further funds are necessary and IID agrees based on a proper accounting by CVWD, IID shall, within thirty (30) days after written demand, deposit funds with CVWD in an agreed to amount CVWD considers sufficient. CVWD shall not be required to retain or continue the services of a contractor unless and until IID delivers to CVWD the Construction Deposit and additional funds requested by CVWD. Any excess or unused Construction Deposit funds will be reimbursed to IID.

3.5 In the event IID has paid all of the costs set forth in sections 3.1 through 3.4, IID may request storage of IID Water pursuant to the provisions of Article II at the IID Recharge Facilities; and IID's right to recharge and store IID Water at

such IID Recharge Facilities shall be subject to availability of storage capacity in the Basins as determined by CVWD in its reasonable discretion. If such capacity exists, such IID Water storage shall be superior or senior to the Pre-Existing Right Holders, and IID's right to call for Return Water shall be subject to available capacity in the delivery facilities to deliver or allow the stored water to be used in CVWD's service area. Such reasonable discretion on the part of CVWD shall include a determination that said existing capacity is or will be needed by CVWD pursuant to its groundwater management plan during the relevant IID storage period.

3.6 At the termination of this Agreement, ownership of said IID Recharge Facilities shall revert to CVWD.

#### **ARTICLE IV**

##### **DELIVERY OF IID WATER TO CVWD FOR RECHARGE**

4.1 IID shall deliver the IID Water to CVWD at the Coachella Canal Heading on the All-American Canal for delivery of the IID Water through the Coachella Canal or such other location as shall be agreed to by the Parties ("Point of Delivery").

4.2 Notwithstanding the Point of Delivery, the risk of not delivering the IID Water to the Recharge Facilities, Additional Recharge Facilities and/or the IID Recharge Facilities shall remain with IID until such water has been delivered to the recharge facilities unless such non-delivery is a result of the gross negligence or willful misconduct of CVWD arising out of or in connection with the foregoing. IID agrees to waive and release all claims against CVWD arising from or in connection with the foregoing. Thus, for example, if there is a break in the Coachella Canal, and IID Water is lost due to the break, CVWD shall have no responsibility or liability to IID due to the loss of IID Water.

4.3 All IID Water delivered by IID to CVWD shall be measured by measuring devices and equipment installed or existing at the delivery structures at the Point of Delivery. In the event water is delivered to CVWD concurrently with the IID Water, the amount of IID Water shall be the total amount of water purportedly delivered less the total amount of water purportedly delivered to CVWD.

#### **ARTICLE V**

##### **PAYMENT TO CVWD FOR STORAGE AND RECHARGE OF IID WATER**

5.1 Before IID Water is delivered to CVWD for recharge and

storage, IID shall be notified of all costs including operations, maintenance, pro rated capital costs of the Recharge Facilities other than IID Recharge Facilities, administration and necessary consents, approvals, permits, licenses or entitlements, if any, from all groundwater authorities for the purposes necessary to implement the provisions of this Agreement. In addition, CVWD shall notify IID of all costs for compliance with all environmental laws and requirements of the Federal Endangered Species Act, arising out of or in connection with, transmission and delivery, recharge and storage of IID Water.

5.2 If IID agrees with these costs for the recharge and storage of IID Water in the Basins and IID pays to CVWD all costs and expenses incurred by or in connection with the transmission of IID Water from the Point of Delivery to the Recharge Facilities, Additional Recharge Facilities, and/or IID Recharge Facilities and the recharge and storage of IID Water through the Recharge Facilities, Additional Recharge Facilities and/or IID Recharge Facilities into the Basins in accordance with the formula attached as Exhibit "C" hereto and by this reference incorporated herein, and CVWD shall recharge and store the IID Water pursuant to this Agreement.

5.3 Any dispute arising hereunder concerning actual or estimated costs and/or expenses, including appropriate allocation thereof among various entities including any Party hereto and whether before or after CVWD issues an invoice therefor to IID, shall be resolved following the procedures for the resolution of disputes set forth in Article 17, Sections 17.1 and 17.2 of the "Agreement For Acquisition of Conserved Water" between the Parties hereto dated October 10, 2003.

## **ARTICLE VI**

### **IID'S STORAGE ACCOUNT**

6.1 On the execution of this Agreement, CVWD shall establish an account for water stored in the Basins for the benefit of IID ("IID's Storage Account").

6.2 The Parties acknowledge that there shall be a loss of a certain amount of IID Water from the Point of Delivery to the recharge of such water into the Basins due to evaporation, canal leakage and other like or similar causes. The Parties agree that for every acre foot delivered to CVWD at the Point of Delivery, five percent (5%) shall be deducted for such loss ("Delivery Loss").

6.3 The Parties acknowledge that there shall be a loss of a certain amount of IID Water after it is stored in the Basins. The Parties hereby agree that for every acre foot of IID Water delivered to CVWD at the Point of Delivery less Delivery Loss

pursuant to Article 6.2, IID shall be deemed to lose five percent (5%) of water per year due to such loss ("Storage Loss"). The annual loss shall be prorated over a three hundred sixty five day (365) period beginning on the day the IID Water is delivered to CVWD.

6.4 (a) Each month, IID's Storage Account shall be increased by the amount of IID Water delivered to the Point of Delivery described in section 4.1.

(b) IID's Storage Account shall be decreased by (i) the amount of Colorado River water returned to IID pursuant to the terms of Article VII below; (ii) any loss of IID Water not due to the gross negligence or willful misconduct of CVWD pursuant to Article 4.2 above, (iii) any amount of water calculated as a Delivery Loss per Article 6.2 above; and (iv) any amount of water calculated as a Storage Loss per Article 6.3 above.

## **ARTICLE VII**

### **RETURN OF STORED WATER**

7.1 IID shall provide written notice ("Return Water Notice") to CVWD by October 1 of the preceding year in which IID desires CVWD to return water ("Return Water") to IID. The Return Water Notice shall include the amount of Return Water requested by IID.

7.2 By December 1, prior to the year IID desires CVWD to provide Return Water, CVWD shall notify IID whether IID's Storage Account contains adequate water to satisfy IID's request and whether this water can be delivered to IID by exchange at the Imperial Dam Diversion Facilities. It is the intent of the Parties that CVWD provide Return Water to IID by reduction of the consumptive use of Colorado River water by CVWD.

7.3 CVWD performs its obligations to make the Return Water available for IID by reducing its consumptive use of the Colorado River water at the Imperial Dam by an amount equal to the lesser of (a) the amount of Return Water requested in the Return Water Notice, or (b) the amount of water listed in the IID Storage Account on January 1 of the Agreement Year the Return Water is to be delivered to IID; provided that CVWD shall not be required to make the Return Water available to IID greater than the maximum possible reduction of the consumptive use of Colorado River water by CVWD. When CVWD acts in that manner, CVWD has satisfied its obligation to make Return Water available for acquisition. IID accepts responsibility for the Return Water at the Imperial Dam. IID bears the sole risk and responsibility of transporting the Return Water to its service area and any and all Conveyance



Losses shall be borne by IID.

7.4 IID acquires the Return Water beginning on January 1 of the Agreement Year in which CVWD shall provide the Return Water to IID. IID has the complete discretion within an Agreement Year on the scheduling of its diversions of the Return Water from Imperial Dam to IID's service area, subject to CVWD not being injured by reduced flow through the Coachella Canal.

## **ARTICLE VIII**

### **TERM**

8.1 This Agreement shall terminate at the earlier of seventy-five (75) years after the Benchmark Date; or concurrently with the termination of the Quantification Settlement Agreement.

8.2 At the end of the term or upon the early termination of this Agreement, neither the terms of this Agreement or the conduct of the Parties in performance of this Agreement, shall be construed to enhance or diminish the rights of either Party as such rights existed at the execution date, including without limitation, rights arising from the application of principles of reliance, estoppel, intervening public use, domestic or municipal priority, domestic or municipal shortage or emergency or equitable apportionment.

8.3 At the end of the term or upon early termination of this Agreement IID's Storage Account shall be reduced to zero. IID shall not be entitled to any compensation or replacement water for later storage in the Basins.

## **ARTICLE IX**

### **PAYMENT**

9.1 Invoices will be sent annually on June 1 itemizing the amount due to CVWD pursuant to the terms of this Agreement. The invoice shall also specify the date of mailing IID will send by the following July 1, a statement of acceptance of the invoice, or a statement detailing any disagreement in the amount due and owing. Payment of the undisputed amount and fifty percent (50%) of any disputed amount of any such invoice shall be due on the following August 1 ("Due Date"). Payment of the balance of any unpaid disputed amount or refund of any of the paid disputed amount shall be due on the tenth (10th) business day following final resolution of the payment dispute.

9.2 Every payment to CVWD required under this Agreement must be made in lawful money of the United States of America, to the order of CVWD and paid by wire transfer. The initial wire

transfer instructions are as follows:

Payment will be considered made upon confirmation of the funds being transferred and received by CVWD's bank on or before the Due Date, notwithstanding any clearing time or delay in CVWD's bank releasing funds to CVWD. CVWD may change these wire transfer instructions by giving a notice in accordance with section 13.1 below.

9.3 Payment of the amount required shall be delinquent if not received by CVWD before the close of crediting activity on the Due Date. In the event that IID is delinquent in the payment of any amount required, IID shall pay an additional charge ("Late Payment Charge") equal to one percent (1%) of the delinquent payment for each month or portion thereof that such payment remains delinquent.

## **ARTICLE X**

### **CONDITIONS TO THE PARTIES' OBLIGATIONS**

10.1 The obligations of the Parties under this Agreement are subject to the IID/CVWD Acquisition Agreement becoming effective.

## **ARTICLE XI**

### **DEFAULT**

11.1 Each of the following constitutes an "Event of Default" by CVWD under this Agreement:

(a) CVWD fails to perform or observe any term, covenant or undertaking in this Agreement that it is to perform or observe and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in section 13.1.

(b) Any warranty, representation or other statement made by or on behalf of CVWD and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be false, misleading or untrue in any material respect.

11.2 Each of the following constitutes an Event of Default by IID under this Agreement:

(a) IID fails to pay the required amount by the Due Date. If IID fails to pay the amounts required hereunder by the Due Date, that delinquent payment will bear a late payment

charge as set forth in section 9.1, until paid in full.

(b) IID fails to perform or observe any term, covenant or undertaking in this Agreement that it is to perform or observe and such default continues for forty-five (45) days from a Notice of Default being sent in the manner provided in section 13.1.

(c) Any warranty, representation or other statement made by or on behalf of IID and contained (i) in this Agreement or (ii) in any other document furnished in compliance with or in reference to this Agreement is on the date made, or later proves to be false, misleading or untrue in any material respect.

## **ARTICLE XII**

### **REMEDIES**

12.1 Each Party recognizes that, apart from disputes regarding costs and expenses which are subject to resolution under the provisions of Section 5.3 above, the rights and obligations of the Parties under this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily. If one Party does not perform in accordance with this Agreement, the other Party will likely suffer harm curable only by the imposition of an injunction requiring specific performance. Thus, each of the Parties agrees that any breach of this Agreement by any Party shall entitle the non-breaching Party to injunctive relief, including but not limited to, a decree of specific performance, in addition to any other remedies at law or in equity that may be available in the circumstances.

12.2 The Parties do not intend that any right or remedy given to a Party on the breach of any provisions under this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delay in exercising any right or remedy, the non-breaching Party does not thereby waive the right or remedy. In addition, no single or partial exercise of any right, power or privilege precludes any other or further exercise of a right, power or privilege granted by this Agreement, or otherwise.

12.3 Each Party acknowledges that it is a "local agency" within the meaning of section 394(c) of the *California Code of Civil Procedure* (Code Civ.Proc.). Each Party further acknowledges that any action or proceeding commenced by one Party against the other would, under section 394(a) of the *Code of Civil Procedure*, as a matter of law be subject to:

(a) Being transferred to a "Neutral County," or instead having a disinterested judge for a Neutral County assigned by the Chairman of the Judicial Council to hear the action or proceeding.

(b) Each Party hereby:

(i) Stipulates to the action or proceeding being transferred to a Neutral County or to having a disinterested judge from a Neutral County assigned to hear the action;

(ii) Waives the usual notice required under the law-and-motion provisions of Rule 317 of the *California Rules of Court*;

(iii) Consents to having any motion under section 394(c) heard with notice as an ex parte matter under Rule 379 of the *California Rules of Court*; and

(iv) Acknowledges that this Agreement, and in particular this section 13.2, may be submitted to the court as part of the moving papers.

(c) Nothing in this section, however, shall impair or limit the ability of a Party to contest the suitability of any particular county to serve as a Neutral County.

12.4 This Article shall not apply to disputes regarding costs and expenses which disputes shall be resolved under Section 5.3 of Article V above.

### **ARTICLE XIII**

#### **GENERAL PROVISIONS**

13.1 All notices, requests, demands or other communications under this Agreement must be in writing, and sent to the addresses of each Party set forth below. Notice will be sufficiently given for all purposes as follows:

*Personal Delivery.* When personally delivered to the recipient. Notice is effective on delivery.

*Certified Mail.* When mailed certified mail, return receipt requested, postage prepaid. Notice is effective on receipt, if a return receipt confirms delivery.

*Overnight Delivery.* When delivered by an overnight

delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.

*Facsimile Transmission.* Notice is effective on receipt, provided that the facsimile machine provides the sender a notice that indicates the transmission was successful, and that a copy is mailed by first-class mail on the facsimile transmission date.

Addresses for purpose of giving notice are as follows:

IID: Imperial Irrigation District  
Attention: General Manager

Mail: P.O. Box 937  
Imperial CA 92251

Personal/  
OvernightPersonal 333 E Barioni  
Blvd  
Overnight:Imperial CA 92251  
Telephone: 760-339-9477  
Facsimile: 760

CVWD: Coachella Valley Water  
District  
Attention: General Manager/Chief  
Engineer  
Mail: P.O. Box 1058  
Coachella CA 92236

Personal/ Highway 111 and Avenue 52  
Overnight: Coachella CA 92236  
Telephone: 760-398-2651  
Facsimile: 760-398-3711

(a) A correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission by the Party to be notified will be deemed effective as of the first date that notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

(b) A Party may change its address by giving the other Party notice of the change in any manner permitted by this Agreement.

13.2 No waiver of a breach, failure of condition or any right or remedy contained in or granted by the provisions of this

Agreement is effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of a breach, failure of condition or right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

13.3 This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

13.4 This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

13.5 Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. A rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not apply in interpreting this Agreement, including any amendments or modifications.

13.6 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of law provisions.

13.7 This Agreement is and will be binding upon and will inure to the benefit of the Parties and upon dissolution, the legal successors and assigns of their assets and liabilities. No Party may assign any of its rights or delegate any of its duties under this Agreement and any assignment or delegation made in violation of this Agreement shall be void and of no force or effect.

13.8 This Agreement (including the appendices and exhibits hereto constitutes the final, complete and exclusive statement of the terms of the Agreement among the Parties pertaining to its subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

13.9 This Agreement may be supplemented, amended or modified only by the written agreement of the Parties. No supplement, amendment or modification will be binding unless it is in writing and signed by all Parties.

13.10 The Parties hereby agree that during the term of this


Agreement that IID and its representatives shall have the right, during business hours and upon three (3) business day written notice, to have access to the books and records with respect to IID's Storage Account. CVWD shall be required to retain books and records for a three (3) year period after any Calendar Year.

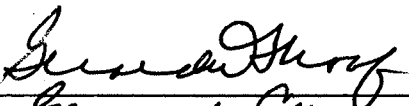
13.11 If the performance of this Agreement, or any obligation hereunder, is interfered with by fire, explosion, an act of God, war, revolution, labor strife, civil commotion, or any act of public enemies, notwithstanding anything contained herein, the failure or delay in performance by either party shall be excused on a day by day basis to the extent of such interference provided that the Party so affected uses it reasonable efforts to remove such causes of non-performance.

WHEREFORE, the Parties hereto have executed this Agreement on the date set out above.

CVWD:

COACHELLA VALLEY WATER  
DISTRICT, a California County  
Water District

By   
Its: General Manager-Chief  
Engineer

By   
Its: General Counsel

IID:

IMPERIAL IRRIGATION DISTRICT,  
a California Irrigation  
District

By   
Its: PRESIDENT

By   
Its: CHIEF COUNSEL

**EXHIBIT A**



## **LIST OF EXHIBITS**

EXHIBIT "A"	DEFINITIONS
EXHIBIT "B"	PRE-EXISTING RIGHT HOLDERS
EXHIBIT "C"	COST FORMULA

## **EXHIBIT A**

### **DEFINITIONS**

**1998 IID/SDCWA Transfer Agreement** - The Agreement for Transfer of Conserved Water by and between IID and the San Diego County Water authority dated April 29, 1998.

**Agreement Year** - As defined in Section 1.1(i) of the 1998 IID/SDCWA Transfer Agreement.

**Benchmark Date** - As defined in Section 1.1(r) of the 1998 IID/SDCWA Transfer Agreement.

**Calendar Year** - The twelve (12)-month period running from January 1 through December 31.

**California Environmental Quality Act** (CEQA) - California Public Resources Code §§ 2100 et seq.

**Conveyance Losses** - The actual loss of water to evaporation, seepage, or other similar cause resulting from any transportation of Conserved Water from Imperial Dam to the CVWD service area or to the MWD service area, as the case may be.

**IID/CVWD Acquisition Agreement** - The Agreement for Acquisition of Conserved Water by and between IID and CVWD dated October 10, 2003.

**National Environmental Policy Act ("NEPA")** - Title 4, United States Code § 4321 et seq., 40 Code of Federal Regulations § 1500.1 et seq.

**Quantification Settlement Agreement** - The agreement of same title among CVWD, The Metropolitan Water District of Southern California and the IID dated October 10, 2003.

**EXHIBIT B**

EXHIBIT B

DESERT WATER AGENCY

**EXHIBIT C**

## **EXHIBIT C**

### **COST FORMULA**

Within thirty (30) days of the identification of Recharge Facilities or Additional Recharge Facilities by CVWD, or the identification of IID Recharge Facilities by IID, CVWD and IID shall meet and confer and negotiate in good faith to set a formula by which IID shall pay CVWD for all costs and expenses incurred by CVWD in connection with the transmission of water from the Point of Delivery, to the Recharge Facilities, into the basins, and the delivery of Return Water. Should CVWD and IID be unable to reach agreement within sixty (60) days of their initial meeting, any remaining disagreements shall be determined in accordance with Section 17.2 of the IID/CVWD Acquisition Agreement.

**AMENDMENT TO THE AGREEMENT FOR  
THE IMPLEMENTATION OF A WATER CONSERVATION PROGRAM AND USE OF  
CONSERVED WATER BETWEEN THE IMPERIAL IRRIGATION DISTRICT AND  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**THIS AMENDMENT** to the December 22, 1988 Agreement for the Implementation of a Water Conservation Program and Use of Conserved Water is made and entered into the 10th day of October, 2003, by and between Imperial Irrigation District, a California irrigation district (IID) and The Metropolitan Water District of Southern California, a California metropolitan water district (MWD), each of which is at times referred to individually as "Party" and which are at times collectively referred to as "Parties."

**RECITALS**

RECITALS, A. through G. in the Agreement for the Implementation of a Water Conservation Program and Use of Conserved Water (Agreement) remain in effect and the Recitals are hereby amended with the addition of Recital H. as follows:

"H. The Parties desire to amend the Agreement as contemplated by the Quantification Settlement Agreement among IID, MWD, and Coachella Valley Water District, dated as of October 10, 2003 (the "Quantification Settlement Agreement") and the related Acquisition Agreements, as defined therein.

NOW THEREFORE, for and in consideration of amended mutual obligations and undertakings set forth herein, the Parties hereby agree as follows:

1. **AMENDMENT TO SECTION 1.3**

Add the following sentence to the end of Section 1.3 on Page 7:

"IID has no rights under this Section to substitute projects that would cause a reduction in the volume of Conserved Water made available to MWD to 100,000 AF per year."

Section 1.3, as amended, will read as follows:

"Section 1.3 Modification and Substitution of Projects. It is recognized and agreed that subject to further investigation, IID may find it desirable to modify projects set forth in Appendix A or substitute other projects therefor. Such modification or substitution may be undertaken by IID provided that the cost of a modified or substituted project would not exceed the estimated total cost, including the capital equivalent of the annual direct costs, in 1988 dollars, of the original project, delay the availability of the respective estimated conserved water, or reduce the respective estimated amount of water

conserved, all as determined by the Program Coordinating Committee using standard established engineering procedures and economic practices and the respective estimates set forth in Appendices A, B, C, and D. In the event the feasibility-level estimate of capital costs in 1988 dollars for the total Program exceeds the estimate set forth in Appendix B, then IID shall:

- (a) substitute projects as necessary such that the sum of the feasibility-level estimate of capital costs and the capital equivalent of the annual direct costs for the total Program, both in 1988 dollars, does not exceed the sum of the estimate of capital costs in Appendix B and the capital equivalent of the annual direct costs in Appendix C, and the conserved water is not reduced below or delayed beyond the estimates set forth in Appendix A and Appendix D, all as determined by the Program Coordinating Committee; or
- (b) obtain written approval from MWD to proceed with the total Program at a higher capital cost estimate.

IID has no rights under this Section to substitute projects in order to cause a reduction in the volume of Conserved Water made available to MWD to 100,000 AF per year.”

2. AMENDMENT TO SECTION 4.2

On Page 25, twenty-third line of the first partial paragraph, after the word “day.” insert “If IID identifies additional costs above the approved and funded budget for any calendar year after the end of such calendar year, IID shall submit, within one year of the end of such calendar year, a revised budget and funding call as set forth above.”

On Page 26, last line of the first partial paragraph, after the word “exhausted.” insert “IID shall be permitted to include in a funding call, as set forth above, any actual unpaid Program costs incurred since October 1, 1998, provided such actual unpaid costs are presented to the Program Coordinating Committee, for approval, by June 30, 2004. The Program Coordinating Committee shall review and approve any actual unpaid Program costs and incorporate such costs into the next funding call to be submitted to MWD for payment pursuant to the revised budget funding calls set forth above.”

Section 4.2, as amended, will read as follows:

“Section 4.2. Funding Call. Within 60 days after the effective date of this Agreement, MWD will provide to IID the amount of \$18,342,602 representing the estimated capital and annual direct costs for the first year of Program implementation. Thereafter, during the first week of January of each year of this Agreement, IID shall issue a funding call to MWD for the approved amounts in the budget. MWD shall pay the amounts of the funding call so that funds are received by IID no later than the 15<sup>th</sup> day of January if such day falls on a Saturday, Sunday or a legal holiday, the next succeeding business day (the “due day”). If the amounts paid by MWD pursuant to a January funding call, together with interest earned on the funds pursuant to Section 4.3, are insufficient to cover the costs for the calendar year, IID shall submit a revised budget



to the Program Coordinating Committee for the balance of the year. Within fifteen days thereafter, the Program Coordinating Committee shall review the budget items with respect to conformance with documentation provided under Sections 1.5 and 1.8 and approve the budget or suggest any modification thereto after discussion with IID. Immediately following such approval and/or modification, IID shall issue a funding call to MWD for the approved amounts and MWD shall pay the amounts of said funding call so that funds are received by IID within 10 days after issuance of the funding call. If the 10<sup>th</sup> day falls on a Saturday, Sunday or a legal holiday, the “due day” shall be the next succeeding business day. If IID identifies additional costs above the approved and funded budget for any calendar year after the end of such calendar year, IID shall submit, within one year of the end of such calendar year, a revised budget and funding call as set forth above. If the amounts paid by MWD pursuant to all funding calls during the year, together with interest earned on the funds pursuant to Section 4.3, are in excess of the actual capital costs and annual direct costs of the Program for that year, IID shall credit such excess against the first funding call occurring one year from the year for which such actual costs were determined. To the extent such excess exceeds such first funding call, the amount of the remaining excess shall be credited to the successive funding calls until exhausted. IID shall be permitted to include in a funding call, as set forth above, any actual unpaid Program costs incurred since October 1, 1998, provided such actual unpaid costs are presented to the Program Coordinating Committee, for approval, by June 30, 2004. The Program Coordinating Committee shall review and approve any actual unpaid Program costs and incorporate such costs into the next funding call to be submitted to MWD for payment pursuant to the revised budget funding calls set forth above.”

3. AMENDMENT TO SECTION 4.5

On Page 27, eleventh line of the first full paragraph after the word “Agreement,” delete “Within two years following the construction and initial implementation of all projects of the Program,” and insert “By June 30, 2004,”.

On Page 27, last line of the first full paragraph, after the phrase “end of” delete “the minimum term provided in Article VII” and insert “through September 30, 2034,”.

On Page 28, fifth and ninth lines of the first partial paragraph, delete “July” and insert “September”.

Section 4.5 will read, as amended, as follows:

“Section 4.5. Reduction in Cost. To the extent the total cost, including annual direct costs, in 1988 dollars of the total Program is reduced below the estimates set forth in Appendix B and Appendix C, and providing the availability of the respective conserved water is not reduced below or delayed beyond the estimates set forth in Appendix A and Appendix D, all as determined by the Program Coordinating Committee, then MWD shall pay 25% of such total cost savings to IID for deposit in and disbursement from the indirect cost account established and governed by the provisions of Section 4.4 of this Agreement. By June 30, 2004, the determination of such cost

savings shall be made by the Program Coordinating Committee using standard established engineering procedures and economic practices and an 8% discount factor to convert the annual direct costs to a capital equivalent. Actual capital costs and forecasted annual direct costs, based on the preceding history of operation, through September 30, 2034, shall be used by the Program Coordinating Committee in making such determination. To the extent such 25% cost savings is less than \$5,000,000, then MWD shall forward such 25% cost savings to IID by the September 1 following the determination of the cost savings by the Program Coordinating Committee. To the extent such 25% cost savings is greater than \$5,000,000, then MWD shall forward such 25% cost savings to IID in annual \$5,000,000 increments commencing with the September 1 following the determination of the cost savings by the Program Coordinating Committee, with the last such increment to be the balance owing.”

4. AMENDMENT TO SECTION 6.1

On Page 31, fifth line of the third paragraph, after the word “herein” delete the remainder of the sentence and insert “IID’s water rights may be exercised in any lawful manner consistent with the Quantification Settlement Agreement and the IID/MWD Acquisition Agreement (as defined in the Quantification Settlement Agreement)”.

On Page 31, delete the last sentence of the third paragraph.

Section 6.1 will read, as amended, as follows:

“Section 6.1 Rights to Conserved Water. Both parties to this Agreement recognize that conservation measures undertaken by IID with funds received from MWD will result in conserved water. Except for conserved water made available by the construction and implementation of projects set forth herein, IID’s water rights may be exercised in any lawful manner consistent with the Quantification Settlement Agreement and the IID/MWD Acquisition Agreement (as defined in the Quantification Settlement Agreement).”

5. AMENDMENT TO SECTION 7.1

On Page 35, second line of the second full paragraph after the word “through” delete “December 31 of the year 35 years after the completion of construction of the last project of the Program or initial operation of that project, whichever is later, (i.e., December 31, 2028, based on completion of construction and initial operation of the last project of the Program during 1993 as set forth in the schedule contained in Appendix D)” and insert “December 31, 2041, or 270 days beyond the termination of the Quantification Settlement Agreement, whichever is later,”.

Section 7.1 will read as amended as follows:

“TERM AND TERMINATION

Section 7.1. Term. The Agreement shall extend through December 31, 2041, or 270 days beyond the termination of the Quantification Settlement Agreement, whichever is later, plus any extension pursuant to Section 3.5, and shall continue thereafter until terminated as specified in Section 7.2 or in Article V of this Agreement.”

6. AMENDMENT TO SECTION 7.2(a)

On Page 36, first line of the first full paragraph, after the word “entirety,” insert “on December 31, 2041 or 270 days after termination of the Quantification Settlement Agreement, whichever is later,”.

On Page 36, third line of the first full paragraph, after the number “1” delete “of the year following the 20<sup>th</sup> year after completion of construction and initial operation of the last project of the Program” and insert “, 2027”.

On Page 36, fifth line of the first full paragraph, after the word “Program.” delete “If IID gives notice to terminate as provided herein, MWD shall not be required to make the payments as provided under Article IV during the last seven years of the 15-year notice period provided herein.”

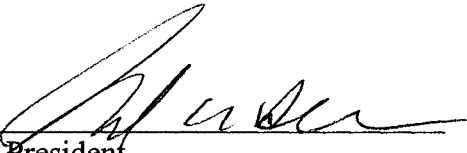
Section 7.2(a) will read as amended as follows:

“(a) IID may terminate this Agreement in its entirety on December 31, 2041 or 270 days after termination of the Quantification Settlement Agreement, whichever is later, by giving MWD 15 years’ written notice of termination on or after January 1, 2027.”

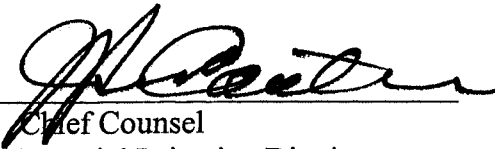
7. AGREEMENT TO GOVERN. This Amendment shall be interpreted in a manner consistent with, and in furtherance of the objectives of, the Quantification Settlement Agreement and the related Acquisition Agreements. Except as expressly amended by this Amendment to the Agreement, the Agreement’s mutual obligations and undertakings shall remain in full force and effect.
8. THE AMENDMENTS CONTEMPLATED BY THIS AMENDMENT TO THE AGREEMENT, will take effect upon the Effective Date as defined in the Quantification Settlement Agreement.

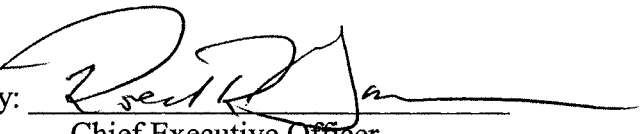
9. TERMINATION. Except for the amendment to Sections 7.1 and 7.2(a), provided in Sections 5 and 6 herein, the amendments made by this Amendment to the Agreement will terminate and be of no force or effect upon the termination of the Quantification Settlement Agreement.

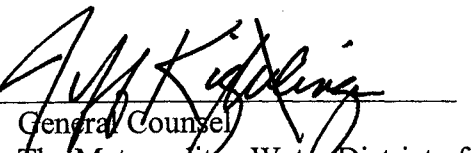
IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to the Agreement on the day and year first above written.

By:   
President  
Imperial Irrigation District

APPROVED AS TO FORM:

By:   
Chief Counsel  
Imperial Irrigation District

By:   
Chief Executive Officer  
The Metropolitan Water District of  
Southern California

By:   
General Counsel  
The Metropolitan Water District of  
Southern California

**AMENDMENT TO THE APPROVAL AGREEMENT AMONG  
THE IMPERIAL IRRIGATION DISTRICT, THE METROPOLITAN WATER  
DISTRICT OF SOUTHERN CALIFORNIA, PALO VERDE IRRIGATION DISTRICT  
AND COACHELLA VALLEY WATER DISTRICT**

**THIS AMENDMENT** to the December 19, 1989 Approval Agreement is made and entered into the 10th day of October, 2003, by and between Imperial Irrigation District, a California irrigation district (IID), The Metropolitan Water District of Southern California, a California metropolitan water district (MWD), Palo Verde Irrigation District, a California irrigation district (PVID), and Coachella Valley Water District, a California county water district (CVWD) each of which is at times referred to individually as "Party" and which are at times collectively referred to as "Parties".

**RECITALS**

RECITALS, A. through E., G., and H. in the Approval Agreement remain in effect; the Recitals are hereby amended by deleting the last sentence and replacing it with a new sentence at the end of Recital F.; and Recital I is added. Recital F. and Recital I., as amended, will read as follows:

"F. IID, MWD, and CVWD recognize that they have differences of opinion over various legal questions. CVWD has filed a complaint entitled Coachella Valley Water District v. Imperial Irrigation District, et al. in the United States District Court for the Southern District of California alleging, among other things, that the Conservation Agreement is unlawful and void. Irrespective of these differences of opinion, each Party wishes to settle the pending litigation and allow the Conservation Agreement, as modified by this Approval Agreement, to be implemented without regard to current or future legal differences and without further proceedings in the pending litigation of the CVWD complaint. In entering into this Approval Agreement, each Party agrees that nothing in this Approval Agreement or in the Conservation Agreement, and no action or failure to act in connection with the adoption or implementation of this Approval Agreement or the Conservation Agreement, is intended to or should have the effect of adding to or subtracting from the legal positions heretofore or hereafter taken by any Party as to all water other than the Conserved Water, as if the Conservation Agreement and this Approval Agreement did not exist. Except for conserved water made available by the construction and implementation of projects set forth herein and in the Conservation Agreement, the Parties' water rights may be exercised in any lawful manner consistent with the Quantification Settlement Agreement among IID, MWD, and CVWD dated as of October 10, 2003 (the "Quantification Settlement Agreement") and the related Acquisition Agreements (as defined therein)."

"I. The Parties desire to amend the Approval Agreement as contemplated by the Quantification Settlement Agreement and the related Acquisition Agreements."

NOW THEREFORE, for and in consideration of amended mutual obligations and undertakings set forth herein, the Parties hereby agree as follows:

1. AMENDMENT TO SECTION 1.1

The portion of the first sentence, on Page 4, of Section 1.1, Article I beginning with “; and (iii)”, through the end of the paragraph is hereby deleted in its entirety. Section 1.1 will read, as amended, as follows:

“Section 1.1: The Parties agree that: (i) nothing in this Approval Agreement or the Conservation Agreement shall change the Seven Party Agreement dated August 18, 1931, which provides the schedule of priorities for use of the waters of the Colorado River within California as published in Section 6 of the General Regulations of the Secretary of the Interior (Secretary) dated September 28, 1931, and incorporated in the United States water delivery contracts with the Parties dated December 1, 1932 (IID), September 28, 1931 (MWD), February 7, 1933 (PVID), and October 15, 1934 (CVWD); and (ii) IID’s, MWD’s, PVID’s, and CVWD’s use of the Conserved Water shall be in accordance with the terms of the Conservation Agreement, as modified by this Approval Agreement.”

2. AMENDMENT TO SECTION 2.1

On Page 6, fifth line, after the word “CVWD” insert “through October 30, 2003. Effective October 31, 2003, the Measurement Committee shall be composed of all members of the Program Coordinating Committee, and one representative from PVID.”

Section 2.1 will read, as amended, as follows:

“Section 2.1: Water Conservation Measurement Committee. It is recognized and agreed that the estimates contained in the Conservation Agreement and this Approval Agreement of the amount of water to be conserved annually by the C&A Programs and the amount to be conserved by each project of the C&A Programs are based on information and data available to IID and MWD at this time, but that the initial and subsequent verification provided in Section 2.2 of this Approval Agreement may result in a determination of a different total amount of water conserved and different amounts conserved by the individual projects of the C&A Programs. In order to provide an orderly basis among the Parties for such verification, there shall be established a Water Conservation Measurement Committee (Measurement Committee) whose duties and responsibilities are limited solely to those specified in Section 2.2 of this Approval Agreement. To the extent the duties and responsibilities of the Measurement Committee with regard to the verification of the quantity of water conserved from the C&A Programs and the process of determining the amount of water conserved are duplicative or in conflict with the duties and responsibilities of the Program Coordinating Committee (as stated in the Conservation Agreement), the duties and responsibilities of the Measurement Committee with regard to the verification of the quantity of water conserved from the C&A Programs and the process of determining the amount of water

conserved as set forth in this Approval Agreement shall govern. The Measurement Committee shall be composed of all members of the Program Coordinating Committee, and one representative each from PVID and CVWD through October 30, 2003. Effective October 31, 2003, the Measurement Committee shall be composed of all members of the Program Coordinating Committee, and one representative from PVID. The chairman of the Program Coordinating Committee shall also serve as the chairman of the Measurement Committee. The members of the Program Coordinating Committee shall be registered as professional engineers, including civil, agricultural, or other appropriate fields of engineering, and the chairman thereof shall be independent and have no past, present, or pending relationship with the Parties, unless IID and MWD expressly consent thereto. Payment of the expenses of the Program Coordinating Committee members shall be governed by the provisions of the Conservation Agreement. Payment of the expenses of the other members of the Measurement Committee shall be borne by the Party they represent. Each member of the Measurement Committee shall have technical competence in the design, construction, or operation of major water supply facilities. PVID's and CVWD's members of the Measurement Committee shall be designated within 30 days after the effective date of the Conservation Agreement and may be replaced at the pleasure of their appointing agency. Following initial selection of the members, all changes in the membership shall be made promptly and in such fashion that it will not interfere with the duties and responsibilities of the Measurement Committee. By unanimous written agreement among all the Parties, the duties and responsibilities of the Measurement Committee may be modified. The chairman of the Measurement Committee shall schedule meetings of the Measurement Committee upon request of any member of the Measurement Committee and shall provide each member of the Measurement Committee 15 days' notice of the time, place, and subject of the meeting. All decisions of the Measurement Committee shall be by a unanimous vote, recorded in writing, and consistent with the terms of this Approval Agreement. In the event that all Measurement Committee members are not present, a letter with the proposed action shall be sent to the absent member(s) by registered or certified mail, postage prepaid, return receipt requested. If no written protest from the absent member(s) is received by the Measurement Committee chairman within 30 days of the date of the receipt of the Measurement Committee letter, the decision shall be deemed unanimous and shall become final. Should the Measurement Committee not reach a decision by unanimous vote on any matter, that matter shall be resolved under Section 2.3 of this Approval Agreement. Notwithstanding the foregoing sentence, modification of the duties and responsibilities of the Measurement Committee may only be made by unanimous agreement among the Parties, and are not subject to change by Section 2.3 of this Approval Agreement."

3. AMENDMENT TO SECTION 2.2

On Page 9, tenth line of the partial paragraph, after the word "Agreement" insert "." and in the eleventh line delete the words "except as provided in Article III of this Approval Agreement."

On Page 10, twenty-fifth line of the partial paragraph, after the word “other”, insert the phrase “force majeure type”.

On Page 12, fourth line of the partial paragraph, after the word “implementation” insert the phrase “but will not decline.”

Section 2.2 will read, as amended, as follows:

“Section 2.2. Duties and Responsibilities of the Measurement Committee.

Within one year after the effective date of the Conservation Agreement, the Measurement Committee shall designate one or more consultants with recognized competence in water conservation and measurement activities. IID shall retain the consultant(s) on behalf of the Measurement Committee. Payment of the expenses of the consultant(s) shall be paid as a capital or annual direct cost by MWD under the Conservation Agreement. The consultant(s) shall serve at the pleasure of the Measurement Committee. During the construction period of the C&A Programs, the consultant(s) will be available to IID to advise IID of the measuring devices and techniques that should be used for the measurement of water conserved from the C&A Programs, and within six months after the appointment of the consultant(s), the consultant(s) shall recommend to the Measurement Committee the measures to be undertaken and facilities to be installed for verification of amounts of water conserved by the C&A Programs. To the extent such measures and facilities are approved by the Measurement Committee, IID shall implement the measures and construct the facilities in a timely manner to permit an accurate determination, by the end of calendar year 1994, of the quantity of water conserved from each project of the C&A Programs. Such measures and facilities for the verification of amounts of water conserved, and all related expenses, shall be paid by MWD in accordance with the provisions of the Conservation Agreement. Within 18 months from the effective date of the Conservation Agreement, the consultant(s) shall prepare a report(s) on the amount of water estimated to be conserved by the C&A Programs and each project thereof, and shall submit the report(s) to the Measurement Committee. Based on such report(s), the Measurement Committee shall make an estimate of the quantity of water to be conserved by the C&A Programs and each project thereof. Until actual data is available by the end of calendar year 1994 to verify or modify such estimate of water conserved, such estimate shall be used as the amount of the reduction of diversions by IID, and to thus determine the amount of Conserved Water which shall be available for use by MWD pursuant to the Conservation Agreement as augmented and modified by this Approval Agreement. Prior to the determination of the estimate by the Measurement Committee, the amounts shown in Section 3.2 and Appendices A and D of the Conservation Agreement and Exhibit A of this Approval Agreement shall govern. In order to assist in making an accurate determination of the quantity of water conserved from the C&A Programs by the end of calendar year 1994, and provide information to IID to assist it in making any modification or substitution of projects pursuant to Section 4.1 of this Approval Agreement, for each calendar year prior to calendar year 1994 the Measurement Committee shall endeavor to estimate the anticipated quantity of water to be conserved by the C&A Programs upon full implementation of projects, including any modifications or substitutions of projects made



pursuant to the Conservation Agreement and this Approval Agreement. Commencing in calendar year 1994, and in each of the four successive years after 1994, the consultant(s) shall review the then available information and data and make a recommendation to the Measurement Committee on the amounts of water conserved by each individual project and by the C&A Programs. Said determined amount shall, prospectively, constitute the amount of the reduced diversions by IID and the amount of Conserved Water which shall thus be available for use by MWD under the Conservation Agreement as augmented and modified by this Approval Agreement, subject to the limitations on MWD's use contained in the Conservation Agreement and this Approval Agreement. Following these initial five annual reviews, such reviews and reports to the Measurement Committee shall be made by the consultant(s) at five-year intervals for the balance of the term of the Conservation Agreement and at any other times or time requested by a member of the Measurement Committee; provided however, such reviews and reports shall not be made more frequently than once a year. The Measurement Committee shall have the right to decrease, or increase, the amount of water deemed to be conserved from a project of the C&A Programs in the event that an earthquake, binding administrative decision or court order, or other force majeure type events cause the project to function differently than intended, designed, constructed or implemented. The Parties hereto mutually acknowledge that the C&A Programs are intended to conserve 106,110 acre-feet of water annually. In the event a determination is made by the Measurement Committee, or otherwise established pursuant to Section 2.3 of this Approval Agreement, that the total amount of water conserved from the C&A Programs is more than 106,110 acre-feet annually, the additional water, pursuant to the Conservation Agreement and as supplemented by this Approval Agreement, shall be available for MWD's use, subject to the limitations on MWD's use contained in the Conservation Agreement and this Approval Agreement. In the event a determination is made by the Measurement Committee, or otherwise established pursuant to Section 2.3 of this Approval Agreement, that the total amount of water conserved by the Conservation Program is less than 100,000 acre-feet annually, then IID shall proceed, but only at the expense of MWD, to implement additional conservation measures to the Conservation Program in accordance with the terms of the Conservation Agreement. However, in the absence of written approval from MWD to proceed with such additional conservation measures, IID shall not be obligated to construct or implement the additional conservation measures. The water conserved by such additional measures shall be subject to the provisions of the Conservation Agreement and this Approval Agreement. As more specifically set forth in Article IV of this Approval Agreement, within the constraints therein specified, IID has the necessary latitude and flexibility to modify or substitute projects such that the amount of water conserved by the Conservation Program will be between 100,000 and 110,000 acre-feet annually upon full implementation but will not decline."

4. AMENDMENT TO SECTION 3.1

Section 3.1 is replaced with a new Section 3.1 which, as amended, will read as follows:

"Section 3.1: Conditions for Reduction in MWD's Use of Conserved Water. In any calendar year following the Effective Date of the Quantification Settlement

Agreement, MWD will reduce its use of Conserved Water in accordance with the provisions of Section 3.2 of this Approval Agreement, subject to the following condition: CVWD requests MWD, in accordance with this Article III, to reduce its use of Conserved Water.”

5. AMENDMENT TO SECTION 3.2

Section 3.2 is replaced with a new Section 3.2 which, as amended, will read as follows:

“Section 3.2: Reduction in MWD’s Use of Conserved Water. If MWD is required to reduce its use of Conserved Water because the conditions enumerated in Section 3.1 of this Approval Agreement have occurred, MWD will reduce its use of Conserved Water by the amount requested by CVWD, but no more than a maximum of 20,000 acre-feet per calendar year. MWD shall not be relieved of any payment obligations under the Conservation Agreement as modified by this Approval Agreement as a result of a reduction in its use of Conserved Water pursuant to this Section.”

6. AMENDMENT TO SECTION 4.1

On Page 22, the paragraph beginning with the words “(ii) In addition to the....” is deleted in its entirety.

Section 4.1, as amended, will read as follows:

“Section 4.1: In consideration of the mutual obligations and undertakings set forth herein including settlement of the pending litigation:

(i) IID will delete Project Number 1 (Trifolium Reservoir), Project Number 2 (South Alamo Canal Lining, Phase I), and Project Number 13 (Tailwater Assessment) from the Appendices of the Conservation Agreement and substitute in their place the projects listed on Exhibit A attached hereto. Furthermore, IID shall reduce its annual diversions from the Colorado River below that which it would otherwise have been absent Project Number 1 and Project Number 2 (in an amount equal to the quantity of water conserved by these two projects, defined as the Augmentation Program, and estimated to be 6,110 acre-feet annually) so that the water from the Augmentation Program shall be available for MWD’s use, subject to the limitations on MWD’s use contained in the Conservation Agreement and this Approval Agreement. The amount of water conserved by these two projects will be determined by the Measurement Committee in accordance with Section 2.2 of this Approval Agreement. If the estimate is less than the Measurement Committee determines has been conserved, the additional water shall be available for use by MWD under the Conservation Agreement and this Approval Agreement, subject to the limitations on MWD’s use contained in the Conservation Agreement and this Approval Agreement. If the estimate is more than the Measurement Committee establishes, there shall be no obligation on the part of IID, either at its own expense or at the expense of MWD, to provide the additional water. IID shall construct, operate, maintain, and replace such projects in the same manner as it

would have constructed, operated, maintained, and replaced these projects had the projects remained an integral part of the Conservation Program and been paid for by MWD, and recognizing that 6,110 acre-feet annually was estimated to be conserved by the projects. IID shall pay the capital and annual direct costs of Project Number 1 and Project Number 2. Except for the provisions relating to the payment by MWD of the capital and annual direct costs for Projects 1 and 2, all other provisions set forth in the Conservation Agreement and this Approval Agreement shall be applicable to, and be binding upon, MWD and IID with respect to the use of water conserved by these two projects. All terms and conditions of the Conservation Agreement relating to Project Number 13 (Tailwater Assessment) shall be deleted, and such terms and conditions shall be applied to the substituted projects set forth in Exhibit A.”

7. AMENDMENT TO SECTION 7.1

Section 7.1 will be deleted in its entirety.

8. AMENDMENT TO SECTION 8.1

Section 8.1 will be deleted in its entirety and replaced with a new Section 8.1 which, as amended, will read as follows:

“The Parties do not intend to, and under the Agreement do not in any way, transfer, assign, encumber or grant to each other any ownership interest in or control over any of each other’s water rights, nor do they intend in any way to define, modify or agree on the proper use, purposes, or limits of each other’s water rights.”

9. AMENDMENT TO SECTION 9.1

Section 9.1 will be deleted in its entirety and replaced with a new Section 9.1 which, as amended, will read as follows:

“Section 9.1: Subject to the terms and conditions of this Approval Agreement, PVID agrees not to divert, pump, use or demand the Conserved Water (as defined in Recital E). This PVID expressly agrees to do in order to permit such water to be made available to MWD in accordance with the Parties’ water delivery contracts with the United States.

“Subject to the terms and conditions of this Approval Agreement and except as provided herein, CVWD agrees not to divert, pump, use or demand the Conserved Water (as defined in Recital E). This CVWD expressly agrees to do in order to permit such water to be made available to MWD in accordance with the Parties’ water delivery contracts with the United States.”

10. AMENDMENT TO SECTION 11.1

Section 11.1, Page 26, second line after the phrase “Approval Agreement”, insert “as amended”, and after the phrase “Conservation Agreement”, insert “as amended”.

Section 11.1, Page 27, third line after the phrase “Approval Agreement”, insert “as amended”.

Section 11.1, Page 27, fifth line after the phrase “Conservation Agreement”, insert “as amended” and after the phrase “Approval Agreement”, insert “as amended”.

Section 11.1, as amended, will read as follows:

“Section 11.1: Except as expressly provided for in this Approval Agreement as amended, the Conservation Agreement as amended shall govern the relationship between IID and MWD. With regard to the relationship among IID, MWD, CVWD, and PVID, to the extent the terms and conditions of this Approval Agreement as amended conflict with, modify or alter the terms and conditions contained in the Conservation Agreement as amended, this Approval Agreement as amended shall govern.

11. AMENDMENT TO EXHIBITS B AND C

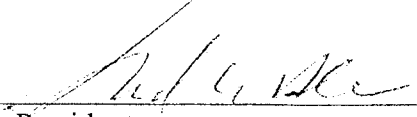
Exhibits B and C are deleted in their entirety.

12. **AGREEMENT TO GOVERN.** This Amendment shall be interpreted in a manner consistent with, and in furtherance of the objectives of, the Quantification Settlement Agreement and the related Acquisition Agreements. Except as expressly amended by this Amendment to the Approval Agreement, the Approval Agreement’s mutual obligations and undertakings shall remain in full force and effect.

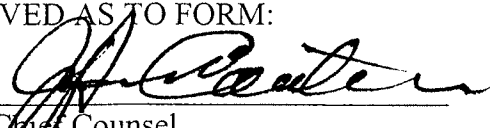
13. **THE AMENDMENTS CONTEMPLATED BY THIS AMENDMENT TO THE APPROVAL AGREEMENT** will take effect upon the Effective Date as defined in the Quantification Settlement Agreement.


14. TERMINATION. The amendments made by this Amendment to the Approval Agreement will terminate and be of no force or effect upon the termination of the Quantification Settlement Agreement.

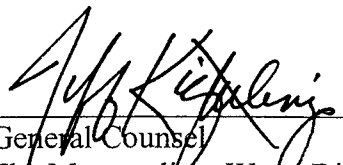
IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to the Approval Agreement on the day and year first above written.

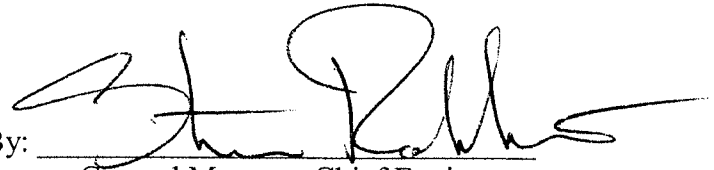
By:   
President  
Imperial Irrigation District

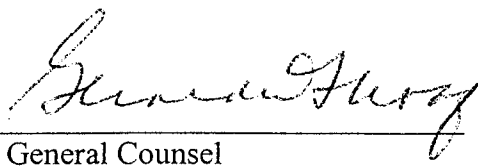
APPROVED AS TO FORM:

By:   
Chief Counsel  
Imperial Irrigation District

By:   
Chief Executive Officer  
The Metropolitan Water District of  
Southern California

By:   
General Counsel  
The Metropolitan Water District of  
Southern California

By:   
General Manager-Chief Engineer  
Coachella Valley Water District

By:   
General Counsel  
Coachella Valley Water District

By: \_\_\_\_\_  
President  
Palo Verde Irrigation District

By: \_\_\_\_\_  
General Counsel  
Palo Verde Irrigation District

**AMENDMENT TO THE AGREEMENT TO SUPPLEMENT APPROVAL  
AGREEMENT BETWEEN  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND  
COACHELLA VALLEY WATER DISTRICT**

**THIS AMENDMENT** to the December 19, 1989 Agreement to Supplement Approval Agreement is made and entered into the 10th day of October, 2003, by and between The Metropolitan Water District of Southern California, a California metropolitan water district (MWD) and Coachella Valley Water District, a California county water district (CVWD) each of which is at times referred to individually as “Party” and which are at times collectively referred to as “Parties”.

**RECITALS**

RECITALS, A. through F. in the Agreement to Supplement Approval Agreement (Supplemental Agreement) remain in effect and the Recitals are hereby amended with the addition of Recital G. as follows:

“G. The parties desire to amend the Supplemental Agreement as contemplated by the Quantification Settlement Agreement, dated October 10, 2003 (the “Quantification Settlement Agreement”) and the related Acquisition Agreements as defined therein.

NOW THEREFORE, for and in consideration of amended mutual obligations and undertakings set forth herein, the Parties hereby agree as follows:

1. **AMENDMENT TO ARTICLE I**

On Pages 2 and 3, Article I, Use of Conserved Water, is deleted in its entirety.

2. **AMENDMENT TO SECTION 3.1**

On Page 4, the fourth line of the first full paragraph after the word “later.” delete “Thereafter, the term of this Supplemental Agreement shall be coextensive with the terms of the Conservation Agreement and Approval Agreement.” and insert “The term of this Agreement will extend to the later of December 31, 2041, or 270 days beyond the termination of the Quantification Settlement Agreement.”


Section 3.1 will read, as amended, as follows:

“Section 3.1: This Supplemental Agreement shall be effective on the date the Conservation Agreement and Approval Agreement become effective or the date on which the last Party to the Supplemental Agreement executes it, whichever is later. The term of

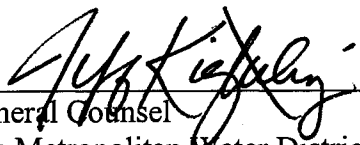
this Agreement will extend to the later of December 31, 2041, or 270 days beyond the termination of the Quantification Settlement Agreement.”

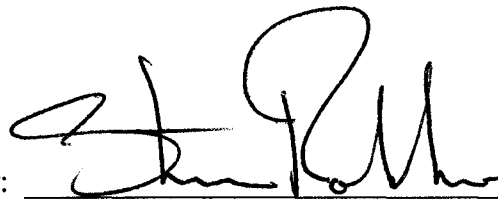
3. THE AMENDMENTS CONTEMPLATED BY THIS AMENDMENT TO THE SUPPLEMENTAL AGREEMENT, will take effect upon the Effective Date as defined in the Quantification Settlement Agreement.
4. TERMINATION. Except for the amendment to Section 3.1, provided in Section 2 herein, the amendments made by this Amendment to the Supplemental Agreement will terminate and be of no force or effect upon the termination of the Quantification Settlement Agreement.
5. AGREEMENT TO GOVERN. This Amendment shall be interpreted in a manner consistent with, and in furtherance of the objectives of, the Quantification Settlement Agreement and the related Acquisition Agreements. Except as provided in this Amendment to the Supplemental Agreement, the Supplemental Agreement’s mutual obligations and undertakings shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to the Supplemental Agreement on the day and year first above written.

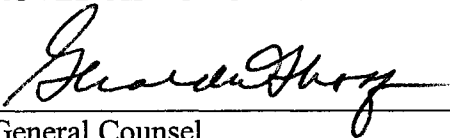
By:   
Chief Executive Officer  
The Metropolitan Water District of  
Southern California

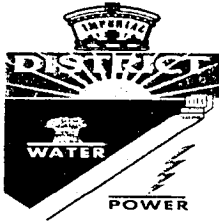
APPROVED AS TO FORM:

By:   
General Counsel  
The Metropolitan Water District of  
Southern California

By:   
General Manager-Chief Engineer  
Coachella Valley Water District

APPROVED AS TO FORM:

By:   
General Counsel  
Coachella Valley Water District



IMPERIAL IRRIGATION DISTRICT



COACHELLA VALLEY WATER DISTRICT

October 10, 2003

Ron Gastelum  
Chief Executive Officer  
The Metropolitan Water District  
of Southern California  
Post Office Box 54153  
Los Angeles, California 90054

Dear Mr. Gastelum:

Subject: Palo Verde Irrigation District Program

The undersigned, Imperial Irrigation District (IID) and Coachella Valley Water District (CVWD) provide this consent to The Metropolitan Water District of Southern California (MWD) with respect to a proposed transfer of conserved water from the Palo Verde Irrigation District (PVID) to MWD. This consent is provided pursuant to Section 4.3 of the Quantification Settlement Agreement (QSA).

For the purposes of this consent, the term "PVID Agreements" shall mean, collectively, the program agreement between MWD and PVID and any related land agreements with participating landowners and lessees within PVID contemplated by PVID and MWD under principles of agreement approved by MWD and PVID pertaining to the development by PVID of a flexible water supply for MWD of approximately 100,000 AFY under a land fallowing program to be funded by MWD, as the same may be from time to time modified or amended for a period of time not to exceed 35 years from the date of this letter or the term of the QSA which ever is longer; and the term "PVID Water" shall mean the water to be Made Available to MWD as a result of the implementation of the PVID Agreements. Otherwise terms used herein with initial capital letters shall have the same meaning as the defined terms set forth in the QSA.

Anything in the QSA, including Section 4.3 thereof, or any other agreement to the contrary notwithstanding, IID and CVWD hereby consent as follows:



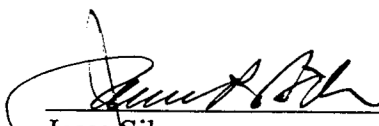
Ron Gastelum  
Chief Executive Officer  
The Metropolitan Water District  
of Southern California

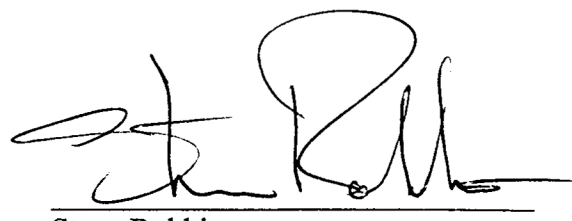
-2-

October 10, 2003

- (1) Subject to paragraph (3) below, MWD shall be entitled to divert and Consumptively Use all PVID Water Made Available to MWD pursuant to the PVID Agreements in each calendar year during the entire term of the PVID Agreements, whether or not the QSA remains in effect for the entire 35 year term of the PVID Agreement, and irrespective of the nature or effect of any shortage, normal, surplus or other condition of the Colorado River determined by the Secretary for such year.
- (2) Subject to paragraph (3) below, IID and CVWD shall not, directly or indirectly, claim, pump, divert, use or demand any PVID Water Made Available to MWD pursuant to the PVID Agreements, nor shall it seek or support any action in any federal or state legislative, administrative or judicial forum that is inconsistent with this consent.
- (3) IID and CVWD understand and consent to the following:
  - a) PVID Water shall be conserved as a result of land fallowing within PVID.
  - b) Such fallowing will reduce the amount of water diverted from the Colorado River by PVID.
  - c) Such PVID Water, together with such water as PVID may divert for use within PVID, will not be available for use by and will not be included in the amount of Colorado River water available to IID and CVWD under the agricultural priority of 3.85 MAF. Aside from any impact that such reduction in the agricultural priority may have on IID and CVWD, this consent of IID and CVWD is subject to and conditioned upon, for each and every year of the entire term of the PVID Agreements, no other injury to IID and CVWD being caused by the PVID Agreements, as "no injury" is defined under California law in connection with Water Code sections 1702 and 1706. By reference and use of this "no-injury" definition, the parties are not expressing or waiving any position each may have as to the applicability of California law. Rather, they are merely incorporating a definition by agreement for purposes of this consent.

Yours very truly,

  
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Jesse Silva  
General Manager  
Imperial Irrigation District

  
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Steve Robbins  
General Manager-Chief Engineer  
Coachella Valley Water District